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**REPORT OF THE ORGANISATION
ON THE IMPLEMENTATION OF THE CONVENTION
(29 APRIL - 31 DECEMBER 1997)**

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1. INTRODUCTION

- 1.1 The period covered by this first annual report saw both the foundation of the Organisation and the establishment of its three organs - the Conference of the States Parties (hereinafter the "Conference"), the Executive Council (hereinafter the "Council"), and the Technical Secretariat. During this period the Conference met twice - a summary of its work can be found in the reports of its activities (C-I/9*, dated 23 May 1997, and C-II/8, dated 5 December 1997). The Council held seven regular sessions and one special session during the period under review. A summary of its work, recommendations and decisions is contained in the Council's report on the performance of its activities (C-II/3 EC-VI/4, dated 7 November 1997). The Technical Secretariat issued a report on its 1997 verification activities in the verification implementation report (VIR) (EC-IX/DG.2/Rev.1, dated 17 June 1998, and Corr.1, dated 8 July 1998).
- 1.2 In the following chapters an attempt has been made to summarise the principal activities of the three organs in relation to the establishment of the Organisation and the verification regime of the Chemical Weapons Convention, including the receipt and processing of the initial declarations from States Parties and the completion of the first 125 inspections arising out of these declarations. This report also addresses the progress made in the establishment of the Organisation's programmes in relation to international cooperation and assistance.
- 1.3 During the period under review the Technical Secretariat doubled its size, growing to a total of 350 staff.

2. ACTIVITIES OF THE CONFERENCE OF THE STATES PARTIES

- 2.1 The Organisation for the Prohibition of Chemical Weapons (OPCW) was established, on the basis of the Chemical Weapons Convention (hereinafter referred to as the "Convention"), by the Conference at its First Session, which was held in The Hague from 6 - 23 May 1997. Eighty of the then 88 States Parties to the Convention took part in this session. The Conference elected Mr Pieter Cornelis Feith of the Netherlands as its Chairman. The work of the First Session of the Conference is reflected in its report (C-I/9*, dated 23 May 1997).
- 2.2 The Conference took, inter alia, the following decisions to establish the Organisation and to enable its functioning:
- the Conference elected the Council of the Organisation, consisting of 41 members (see chapter 3 below);
 - the Conference appointed, upon the recommendation of the Council, Mr José Mauricio Bustani as Director-General, for a period of office of four years;
 - the Conference decided on the OPCW Programme and Budget for 1997 and the Working Capital Fund, as submitted by the Council;

- the Conference decided on the scale of assessments for the OPCW Programme and Budget for 1997 and for the OPCW Working Capital Fund;
- the Conference approved the rules of procedure of the Council, as submitted by the Council;
- the Conference established as subsidiary organs the Committee of the Whole, the General Committee, the Credentials Committee and the Commission on the Settlement of Disputes Relating to Confidentiality (the “Confidentiality Commission”). The Conference elected twenty members of the Confidentiality Commission, four from each of the regional groups;
- the Conference took decisions on administrative and verification-related issues, as reflected in the report of its First Session (C-I/9*, dated 23 May 1997), and adopted the OPCW Confidentiality Policy and the OPCW Media and Public Affairs Policy. A large number of these decisions were taken on the basis of recommendations of the Preparatory Commission; and
- the Conference established the Voluntary Fund for Assistance in accordance with Article X.

2.3 The Conference held its Second Session from 1 - 5 December in The Hague. Eighty-two of the then 105 States Parties to the Convention took part in the session. The Conference elected Ambassador Simbarashe S. Mumbengegwi of Zimbabwe as its Chairman, and adopted its agenda as prepared by the Council. The work of the Second Session of the Conference is reflected in its report (C-II/8, dated 5 December 1997).

2.4 The Conference took, inter alia, the following decisions:

- the Conference considered and adopted the “Report of the Organisation on the Implementation of the Convention (29 April - 28 October 1997)” (C-II/2/Rev.2, dated 5 December 1997, and Corr.1, dated 8 January 1998), as referred to it by the Council;
- the Conference adopted the decision on the OPCW Programme and Budget for 1998 and the Working Capital Fund, in accordance with the recommendation of the Council, and as adjusted by the Conference;
- the Conference decided on the scales of assessments for the financial years 1997 and 1998,
- the Conference elected 20 members of the Council (see chapter 3 below);
- the Conference took decisions on administrative and verification-related issues, as reflected in the report of its Second Session (C-II/8, dated 5 December 1997); and

- the Conference adopted the decision on the terms of reference of the Scientific Advisory Board.

3. ACTIVITIES OF THE EXECUTIVE COUNCIL

- 3.1 The Council consisted in 1997 of the following 41 States Parties, elected from the regional groups by the Conference at its First Session:

Africa:	Algeria, Kenya, Morocco, South Africa (elected for 1 year); Cameroon, Côte d'Ivoire, Ethiopia, Tunisia, Zimbabwe (elected for 2 years);
Asia:	Bangladesh, Oman, Philippines, Sri Lanka (1 year); China, India, Japan, Republic of Korea, Saudi-Arabia (2 years);
Eastern Europe:	Belarus, Bulgaria, Romania (1 year); Hungary, Poland (2 years);
Latin America and Caribbean:	Ecuador, Peru, Suriname, Uruguay (1 year); Argentina, Brazil, Chile, Mexico (2 years);
WEOG:	Australia, Malta, Netherlands, Norway, Spain (1 year); France, Germany, Italy, United Kingdom of Great Britain and Northern Ireland, United States of America (2 years).

- 3.2 At its Second Session, the Conference elected the following 20 States Parties to the Council for a two-year term of office commencing on 12 May 1998:

Africa:	Algeria, Kenya, Morocco, South Africa;
Asia:	Iran (Islamic Republic of), Pakistan, Philippines, Sri Lanka;
Eastern Europe:	Czech Republic, Russian Federation, Slovakia;
Latin America and Caribbean:	Cuba, Ecuador, Peru, Venezuela;
WEOG:	Australia, Belgium, Finland, Spain, Switzerland.

- 3.3 The Council held seven regular sessions and one special session, the latter concerning a verification-related issue, in 1997. During its First Session the Council elected Ambassador Prabhakar Menon of India as its Chairman for a one-year term of office. The work of the Council is reflected in the reports of its sessions and in the "Report of the Executive Council on the Performance of Its Activities (13 May - 31 October 1997)" (C-II/3 EC-VI/4, dated 7 November 1997). The latter report was submitted to the Conference by the Council. Some of the major decisions and regular activities of the Council are outlined in the following.
- 3.4 One of the main regular activities of the Council, starting at its Second Session, consisted of reviewing the status of implementation of the Convention. The Council repeatedly expressed concern about the absence of initial declarations from a considerable number of States Parties, and urged States Parties to comply with their obligations under the Convention.
- 3.5 The Council considered and approved five transitional verification arrangements for chemical weapons destruction facilities, and two facility agreements for Schedule 1 facilities. It also considered and recommended that the Conference approve two

requests for the conversion of chemical weapons production facilities. The Conference in fact approved these requests at its Second Session.

- 3.6 In accordance with the Financial Regulations, the Council established the Advisory Body on Administrative and Financial Matters consisting of experts from Member States. The Council had been tasked by the Conference at its First Session to appoint the first External Auditor of the OPCW, and appointed to this function the Auditor-General of India, Mr. V. K. Shunglu, for a single period of three years.

4. MEMBERSHIP AND REPRESENTATION

Status of ratifications of and accessions to the Convention

- 4.1 As of 31 December 1997, 105 States were States Parties to the Convention, and entry into force (EIF) was pending for one State (see annex 1 to this report).
- 4.2 As of 31 December 1997, 62 signatory States had not yet ratified the Convention (see annex 2 to this report).

Representation

- 4.3 As of 31 December 1997, 45 Member States had accredited permanent representatives to the OPCW. An additional 16 Member States had notified the Director-General of the appointment of their permanent representative and would forward formal credentials in due course.

5. IMPLEMENTATION OF THE CONVENTION - VERIFICATION ISSUES

SUMMARY

- 5.1 During the period under review, approximately 36% of States Parties provided initial declarations as required within 30 days after the entry into force of the Convention. By 31 December, approximately 70% of the 105 States Parties had submitted their initial declarations to the Technical Secretariat in accordance with Articles III, IV, V and VI of the Convention. A large number of declarations submitted by States Parties were incomplete.
- 5.2 One hundred and twenty-five routine inspections were completed in 22 States Parties in 1997. No challenge inspections or investigations into the alleged use of chemical weapons or of riot control agents as a method of warfare were conducted during this period. The inspections carried out revealed some inconsistencies and errors in the declarations submitted by States Parties.
- 5.3 Seven hundred and thirty-five tonnes of chemical warfare agents and binary chemical components were verified as destroyed in 1997 in the United States of America, which constitutes approximately 2% of its declared stockpile.
- 5.4 At its Second Session, the Conference approved two requests - one by the United States of America and one by the United Kingdom of Great Britain and Northern

Ireland - to use former chemical weapons production facilities for purposes not prohibited under the Convention. The Council deferred action on a third request from another State Party.

- 5.5 Of the total of 7,565 inspector days recorded by the Inspectorate in 1997, 92% were devoted to inspections under Articles IV and V of the Convention and Part IV(B) of the Verification Annex. 594 inspector days were devoted to inspections under Article VI. 77.3% of the total were spent in the United States of America, and 61.4% of the total were devoted to the ongoing monitoring of destruction activities at chemical weapons destruction facilities in the United States of America.
- 5.6 The preliminary estimate of the total cost incurred by the Technical Secretariat of inspection activities conducted by the Technical Secretariat for the period 1 June to 31 December 1997 amounted to approximately NLG 2,782,166. This cost comprised the following two components: the preliminary estimate of costs incurred by the Technical Secretariat for inspection activities carried out under Articles IV and V (NLG 1,783,779), which are reimbursable by States Parties, and the preliminary estimate of costs to the Organisation of inspection activities carried out under Article VI (NLG 998,387). The above figures do not include “salaries” and “in-kind costs” provided by the inspected State Party in relation to Article IV and V inspections.

DESTRUCTION OF CHEMICAL WEAPONS

Inspection activities at chemical weapons destruction facilities (CWDFs)

- 5.7 After the entry into force of the Convention, verification activities were initiated at five chemical weapons destruction facilities in the United States of America. No other State Party destroyed chemical weapons during the period EIF to 31 December 1997.
- 5.8 OPCW inspection teams were permanently present in the United States of America at three continuously operating destruction facilities. In addition, one non-continuously operating facility was inspected, and an initial visit was made to another such facility.

Items and amounts of agent destroyed

- 5.9 In the period commencing on 1 August 1997, when monitoring operations began at operating chemical weapons destruction facilities in the United States of America, and ending on 31 December 1997, OPCW inspection teams witnessed the destruction of a total of 735 tonnes of the nerve agent GB and binary components. A total of 48,356 projectiles and cartridges were also destroyed.

CWPFs and CWSFs

- 5.10 As of 31 December, eight States Parties had submitted declarations of either present or past capabilities to produce chemical weapons, pursuant to Article III, subparagraph 1(c), Article V, and Part V of the Verification Annex. The total number of CWPFs (chemical weapons production facilities) declared by the eight States Parties stood at 35. Nineteen of the 35 CWPFs were initially declared as destroyed, two as partly destroyed, two as converted, and 10 as closed/inactivated. For two facilities consultations were continuing in order to clarify issues in relation to declarations. As of 31 December 1997, no destruction certificates had been issued for CWPFs.
- 5.11 Thirty-three CWSFs were declared by four States Parties during the period under review.
- 5.12 Table 1 below lists chemicals declared by States Parties produced at chemical weapons production facilities and stored at chemical weapons storage facilities (CWSFs) during the period under review.

Table 1

Common name of chemical	IUPAC name of chemical	CWC Schedule	C W P F	C W S F
sarin	O-isopropyl methylphosphonofluoridate	Sch.1; A; (1)	X	X
ethyl-sarin;	O-ethyl methylphosphonofluoridate	Sch.1; A; (1)	X	-
GF (cyclosarin)	O-cyclohexyl methylphosphonofluoridate	Sch.1; A; (1)	X	-
2-methylcyclohexyl-GB	O -2- methylcyclohexyl methylphosphonofluoridate	Sch.1; A; (1)	X	-
soman	O-pinacolyl methylphosphonofluoridate	Sch.1; A; (1)	X	X
tabun	e.g. O-ethyl N,N-dimethylphosphoramidocyanidate	Sch.1; A; (2)	X	X
VX	e.g. O-ethyl S-2-diisopropylaminoethyl methylphosphonothiolate	Sch.1; A; (3)	X	X
Vs	O-butyl S-2-diethylaminoethyl methylphosphonothiolate	Sch.1; A; (3)	X	-
EA 1699	O-ethyl S-2-dimethylaminoethyl methylphosphonothiolate	Sch.1; A; (3)	-	X
sulfur mustard	bis(2-chlorethyl)sulfide	Sch.1; A; (4)	X	X
lewisite	e.g. 2-chlorovinyl dichlorarsine	Sch.1; A; (5)	X	X
nitrogen mustard	e.g. tris(2-chlorethyl)amine	Sch.1; A; (6)	X	-
ricin	-	Sch.1; A; (8)	X	-
DF	e.g. methylphosphonyldifluoride	Sch.1; A; (9)	X	X
QL	e.g. O-ethyl O-2-diisopropylaminoethyl methylphosphonite	Sch.1; A; (10)	X	X
BZ	3-quinuclidinyl benzilate	Sch.2; A; (3)	X	-
thiodiglycol	bis(2-hydroxyethyl)sulfide	Sch.2; B; (13)	X	X
phosgene	carbonyl dichloride	Sch.3; A; (1)	X	X
OPA	specific formulation with isopropanol	non-schedule	X	X
DC	2-chlorethanol-1-ol e.g. methylphosphonyldichloride	Sch.2; B; (4)	X	X

DECLARATIONS - GENERIC ISSUES

- 5.13 The status of submission of initial declarations since the entry into force of the Convention on 29 April 1997 remained incomplete by the year's end, and continued to be a matter of concern to the Council. Thirty days after EIF only 31, or 36%, of the 87 States Parties from which initial declarations were required under Article III and Article VI of the Convention had provided those declarations. Between 30 May and 31 December 1997, an additional 42 initial declarations were provided, one of which was received within the prescribed timelines, bringing the total number of submitted initial declarations to 73, or 70% , of States Parties. Thirty-two States Parties had still not submitted initial declarations by 31 December 1997. A summary of the declaration information provided as of 31 December 1997 is contained in annex 3 to this report.
- 5.14 Annual declarations regarding the projected activities and anticipated production¹ of Schedule 1 chemicals (Part VI, paragraphs 16 and 20 of the Verification Annex) were submitted by 18 States Parties, two of which submitted nil declarations. A total of nine States Parties submitted their annual declarations on anticipated Schedule 2 and/or Schedule 3 activities pursuant to Part VII, paragraph 4, and Part VIII, paragraph 4, of the Verification Annex. One of these nine States Parties included a nil declaration on anticipated Schedule 2 and Schedule 3 activities.
- 5.15 As of 31 December 1997, 31 States Parties had submitted declarations of plant sites producing, processing or consuming Schedule 2 chemicals and/or plant sites producing Schedule 3 chemicals pursuant to Article VI of the Convention and Parts VII and VIII of the Verification Annex.
- 5.16 Nine States Parties had provided information by the same date on the concentration limits that had been applied in their Schedule 2 and/or 3 plant site declarations. Of these nine States Parties, one had not submitted Schedule 2 or Schedule 3 plant site declarations, and the information provided by one other State Party required further clarification.
- 5.17 The Technical Secretariat provided information from declarations to States Parties which had requested this in accordance with subparagraph 2(b)(i) of the Confidentiality Annex. By 31 December, 12 States Parties (Australia, Canada, China, France, Germany, India, Japan, Pakistan, Poland, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America) had requested information from declarations in accordance with this provision of the Convention. Some requests were for information on the declarations from selected countries, while others were general requests for information from all declarations. Two of the 12 States Parties in question - Pakistan and the United States of America - were States Parties which, at the time of their request, admitted that they still had either to submit declarations themselves or to comply fully with all the declaration requirements. Since three of the requesting States Parties forwarded their request during the period between 10 and 19 December 1997, nine of the 12 States Parties (Australia, Canada,

¹ The situation with respect to anticipated activities for Schedule 2 and 3 declarations for 1998 has yet to be resolved.

China, France, Germany, India, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America) had been provided with such information by the end of 1997.

- 5.18 A major problem for the Technical Secretariat during the period under review was the requirement to receive, process and handle declaration data in hard copy only, due to delays in the delivery of the electronic document management system (EDMS) and the completion of the associated security audit. The compilation and photocopying of the data required a significant allocation of resources which was not foreseen during the preparatory phase prior to EIF, when it was envisaged that this activity would be done electronically using the EDMS, and when the staffing levels in the areas concerned were decided accordingly.
- 5.19 As of 31 December 1997, the Technical Secretariat had received from States Parties the following notifications required by the Convention within 30 days after entry into force: 55 notifications of points of entry for inspection teams (Verification Annex, Part II, paragraph 16); and 37 notifications of standing diplomatic clearance numbers for non-scheduled aircraft pursuant to Verification Annex, Part II, paragraph 22 (10 States Parties submitted the notifications, but not a specific clearance number because of domestic regulations which require the provision of the flight route in advance of the provision of the diplomatic clearance number). In this regard States Parties are reminded that their domestic implementing legislation should include appropriate arrangements to eliminate potential conflicts between the requirements of the Convention and their domestic regulations. By the same date, notifications had also been received from 70 States Parties concerning their National Authorities (Article VII, paragraph 4: notification required at EIF for the State Party), from 31 States Parties concerning implementing legislation (Article VII, paragraph 5), and from 30 States Parties concerning information on assistance to be provided pursuant to Article X, paragraph 7 (notification required within 180 days after EIF) (see annex 3 to this report).

DECLARATIONS UNDER ARTICLES III, IV AND V OF THE CONVENTION AND PART IV(B) OF THE VERIFICATION ANNEX

Declarations under Article IV

- 5.20 Three States Parties - India, the United States of America and one other - made declarations of current holdings of chemical weapons under Article IV.

Declarations under Part IV(B) of the Verification Annex

- 5.21 Seven States Parties - Belgium, China, France, Germany, Italy, Japan, and the United Kingdom of Great Britain and Northern Ireland - made declarations of old chemical weapons (OCW) or abandoned chemical weapons (ACW) on their territory.

Declarations under Article V

- 5.22 Seven States Parties - China, France, Japan, India, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and one other - made declarations of either present or past capabilities under Article V.

DECLARATIONS UNDER ARTICLE VI

Part VI of the Verification Annex (Schedule 1 facilities)

- 5.23 As of 31 December 1997, a total of 24 Schedule 1 facilities had been declared by 19 States Parties. The breakdown of the declared facilities was as follows: 9 single small-scale facilities, 13 facilities for protective purposes, and 2 facilities for medical, research and pharmaceutical purposes. Annex 4 to this report indicates the declared facilities by type and by State Party.

Notifications of transfers of Schedule 1 chemicals

- 5.24 In 1997, 62 transfers of Schedule 1 chemicals were notified to the Technical Secretariat. Eighty-two percent of the transfers involved the transfer of saxitoxin, including tritiated saxitoxin (5% of the total). The next most frequently transferred Schedule 1 chemical was ricin (13% of transfers).
- 5.25 The Technical Secretariat often had difficulties matching a receiving State Party's transfer notification with the sending State Party's transfer notification. This could be attributed to a variety of problems, including the listing of incorrect amounts of the scheduled chemical in the transfer notification, the cancellation of the transaction by one party to the transfer after the other party had made a transfer notification, and multiple notifications concerning the same transfer. Information on transfers was eventually published for a number of sessions of the Council, thus assisting States Parties to review the accuracy of declarations and the Technical Secretariat to update information related to transfer notifications. This helped to reduce the uncertainties in the records held by the Technical Secretariat of Schedule 1 chemical transfers.

Article VI of the Convention and Parts VII and VIII of the Verification Annex (Schedule 2 and Schedule 3 plant sites)

- 5.26 As of 31 December 1997, 24 States Parties had declared Schedule 2 plant sites, and 25 States Parties had declared Schedule 3 plant sites pursuant to Article VI of the Convention and Parts VII and VIII of the Verification Annex. Annex 5 to this report contains the data on declared and inspectable plant sites for Schedule 2 and Schedule 3 chemical activities. By the same date, nine States Parties had provided information on their application of low concentration thresholds to their declarations of Schedule 2 and Schedule 3 plant sites and of aggregate national data (AND).

Schedule 2 declarations

- 5.27 As of 31 December 1997, 265 Schedule 2 plant sites had been declared, of which 108 were inspectable. Twenty States Parties had declared 256, or 97%, of the declared Schedule 2 plant sites. One hundred and six of the 108 inspectable Schedule 2 plant sites (98%) were located in 16 States Parties. Four States Parties declared 67% of the inspectable Schedule 2 plant sites.
- 5.28 The uneven distribution of Schedule 2 plant sites amongst States Parties means that only a small number of Member States will receive Schedule 2 inspections. As the initial inspection of Schedule 2 plant sites proceeds, those Schedule 2 plant sites still awaiting their initial inspection will be located in three States Parties. If the planned average of six Schedule 2 inspections per month is maintained, for example, it is probable that the burden of Schedule 2 inspections in late 1998 will fall on three States Parties.
- 5.29 The number of declared Schedule 2 plant sites was well below the number of 950 that was one of the planning assumptions adopted by the Conference at its First Session for the purposes of the 1997 OPCW budget (C-I/DEC.74*, dated 23 May 1997, and Corr.2, dated 3 September 1997). The background data which formed the basis for this analysis is summarised in annex 6 to this report.

Schedule 3 plant sites

- 5.30 The geographic locations of the 394 declared Schedule 3 plant sites, like those for the declared Schedule 2 plant sites, are mainly in States Parties located from the Western European and Others States and from Asia (94%). Ninety-three percent of the 328 inspectable plant sites were found in 15 States Parties from these two regions. Twenty-five States Parties had inspectable Schedule 3 plant sites. As with Schedule 2 plant sites, the number of Schedule 3 plant sites declared was well below the number of 1,500 that was one of the planning assumptions adopted by the Conference at its First Session for the purposes of the 1997 OPCW budget (C-I/DEC.74*).

Transfers of Schedule 2 and Schedule 3 chemicals

- 5.31 In some cases a lack of consistency was identified in the national data on the transfers of Schedule 2 and Schedule 3 chemicals declared in 1997. For example the amounts of imported and exported chemicals differed by an order of magnitude or more. Some 91% of declared Schedule 2 chemical transfers and 92% of declared Schedule 3 chemical transfers could not be reconciled on the basis of data from the importing and exporting States Parties.

Part IX of the Verification Annex (other chemical production facilities)

- 5.32 Forty-one States Parties had declared 3,589 plant sites producing discrete organic chemicals (DOCs). The number of DOCs declared was considerably lower than the number of 15,000 which was one of the planning assumptions adopted by the

Conference at its First Session for the purposes of the 1997 OPCW budget (C-I/DEC.74*).

- 5.33 Some States Parties believe that, while the number of Schedule 2 and 3 sites, as well as the number of plant sites producing DOCs, rests on estimates which always require a review based on experience, outstanding and incomplete declarations could be identified as the main sources of considerable discrepancies between the assumed and actually declared figures. Other States Parties believe that the analysis carried out by the Technical Secretariat suggests that some States Parties may have underestimated the number of processing and consumption plant sites that are subject to declaration. One possible reason for this could have been the difficulty of identifying the users (i.e. the processors and consumers). Another reason could have been the differing application by States Parties of low concentration thresholds. The fact is that, *inter alia*, the very limited data on low concentration thresholds available as of 31 December 1997 did not permit a definitive judgement to be made one way or the other.

OVERVIEW OF INSPECTION ACTIVITIES

- 5.34 Inspection activities commenced as soon as possible after EIF and, after the opening of the initial declarations, with initial visits to operating CWDFs in the United States of America. A total of 83 separate inspection missions to 22 States Parties were conducted between 1 June 1997 and 31 December 1997. By using sequential inspections whenever possible, a total of 125 separate inspections at 107 sites were actually completed in the course of these 83 missions. The difference between the number of inspections conducted and the number of sites actually inspected reflects the fact that one CWPF was inspected twice, and that several inspection teams, rotated at intervals, were required to maintain a permanent inspector presence at the CWDFs in the United States of America. A total of 7,565 inspector days were required to achieve this. Annexes 7 and 8 to this report are tables depicting the numbers of missions and inspections completed, the number of sites inspected, and the total number of inspections for each type of inspection for each inspected State Party. Annex 9 to this report depicts inspector days per month for each type of inspection, while annex 10 to this report depicts the number of inspector days for each type of inspection for each inspected State Party.
- 5.35 These figures show that on average 12 missions, 15 inspection sites, and 18 inspections were undertaken each month, and that 1,080 inspector days were used in the same period. The average number of days on site per inspector for the seven-month period under review was 68.3, giving a pro-rated 12-month figure of 117 inspector days. This inspector usage was consistent with the guideline of 120 days per year per inspector recommended by the Technical Secretariat's Health and Safety Branch.
- 5.36 Beginning in August 1997 - the month which coincided with the period of 90 to 120 days after EIF that is stipulated in paragraph 43, Part V of the Verification Annex for the initial inspections of declared CWPFs - all 34 declared CWPFs were inspected within the prescribed timelines. Initial inspections of the 26 declared chemical weapons storage facilities were completed by 11 November 1997, while the initial

inspections of the 24 declared Schedule 1 facilities were completed by 2 November 1997. The inspections of Schedule 2 plant sites commenced in mid November 1997, and four such plant sites were inspected before the end of 1997.

5.37 Of the total of 7,565 inspector days recorded by the Inspectorate in 1997:

- (a) 6,971 inspector days, or 92% of the total, were devoted to inspections under Articles IV and V of the Convention and Part IV(B) of the Verification Annex. Only 594 inspector days were devoted to inspections under Article VI;
- (b) 77.3% of the total number of inspector days were spent in the United States of America; and
- (c) 61.4% of the total number of inspector days were devoted to the ongoing monitoring of destruction activities at chemical weapons destruction facilities in the United States of America - the only State Party that had commenced destruction activities in 1997. All States Parties made considerable efforts to ensure the rapid and orderly processing of inspection team personnel through their immigration and customs procedures. There were no undue delays in this respect. This speeded up inspections, and had the additional effect of reducing costs.

ISSUES ARISING FROM INSPECTIONS

5.38 High levels of cooperation were displayed by the inspected States Parties in the vast majority of inspections.

Verification activities under Articles IV and V of the Convention

5.39 Nevertheless, in a number of instances issues were raised that led to the need for additional consultations between the States Parties involved and the Technical Secretariat which resulted, in certain instances, in agreed solutions. These issues included: difficulties for the provision by inspected States Parties during inspections of CWPFS of historical documentation, amongst other things on the production of chemical weapons, dates of production, the manner of destruction of buildings and equipment, and an inventory of standard and specialised equipment; restrictions on the maximum number of items that could be tagged at CWSFs by inspection teams for subsequent sampling and analysis at CWDFs; the inability of the Technical Secretariat to confirm through on-site inspection the declared quantity and identity of the chemicals, as well as the types and numbers of munitions, devices and other equipment (Verification Annex, Part IV(A), paragraphs 37, 38 and 47(c)); the non-declaration by States Parties of the items identified by inspection teams within the declared boundaries of declared facilities (parts of mobile filling stations at a CWSF and buildings and parts of specialised equipment at CWPFS); and the non-declaration of toxic agent drained from declared chemical weapons.

Verification activities under Part IV(B) of the Verification Annex

- 5.40 Some problems were encountered during the inspection of old and/or abandoned chemical weapons, for example, in some cases the Technical Secretariat was unable to confirm, due to prevailing storage conditions, the types, quantities, and present condition of such weapons, to verify, if necessary, the origin of the abandoned chemical weapons as declared, or to receive access to the location of declared old chemical weapons. The role of the abandoning State Party during inspections of abandoned chemical weapons was also under discussion with the States Parties in question.

Verification activities under Part VI of the Verification Annex

- 5.41 All 24 declared Schedule 1 facilities received initial inspections in 1997. By the end of 1997, no uncertainties or ambiguities requiring further action by either the Technical Secretariat or the inspected States Parties had been identified, with the exception of one such facility in relation to which further clarification was being sought by the Technical Secretariat. These initial inspections resulted in the beginning of negotiations on 23 draft facility agreements, two of which were approved by the Council.

Verification activities under Part VII of the Verification Annex

- 5.42 Four Schedule 2 facilities received initial inspections in 1997. No uncertainties or ambiguities were found which required further action by either the Technical Secretariat or the inspected States Parties. These initial inspections resulted in the preparation of four draft facility agreements which continued to be negotiated with the inspected States Parties in question.

Verification activities under Part VIII of the Verification Annex

- 5.43 During 1997 no verification activities were initiated under the provisions of Part VIII of the Verification Annex.

ANALYTICAL SUPPORT FOR VERIFICATION ACTIVITIES

On-site analysis

- 5.44 During the period under review, no analytical equipment was taken on any of the inspections. Any samples taken at inspected CW sites were analysed using the inspected State Party's equipment and facilities. Analyses were carried out either by the inspection team members themselves or by members of the inspected State Party in the presence of the inspection team. During this period no samples were taken at any of the Schedule 1 or Schedule 2 sites inspected.

Proficiency testing and designation of laboratories

- 5.45 Two official proficiency tests (the second and third) were finalised during 1997. The final results of the Second Official Proficiency Test organised in 1996 were provided to States Parties on 27 August 1997 in a Note by the Director-General (S/9/97). The test report (S/10/97, dated 9 September 1997) was sent to all participants, and was made available by the Technical Secretariat upon request. Altogether 23 laboratories from 22 Member States participated in the test. Twelve laboratories met the adopted criteria, and could be scored. Eight of these identified all the chemicals from the test samples. The nine laboratories which could not be scored reported false positive results, and one of them also reported chemicals not relevant to the test. Two laboratories did not provide a report.
- 5.46 The Third Official Proficiency Test was organised in the period 22 April to 28 May 1997. The evaluation was presented to States Parties in a Note by the Director-General (S/22/97, dated 25 November 1997). The test report (S/23/97, also dated 25 November 1997) was sent to all test participants, and was made available by the Technical Secretariat upon request. Altogether 26 laboratories from 25 Member States participated in the test. Nineteen laboratories met the criteria for scoring. Eleven of these identified all the deliberately introduced (spiked) chemicals from the test samples and reported them with the requested analytical data. Five laboratories reported false positive results. One laboratory exceeded the test time. One laboratory did not provide a report.
- 5.47 By the end of 1997 eight out of the 26 laboratories from 25 States Parties that were seeking designation for the analysis of authentic samples (C-I/DEC.60 and C-I/DEC.61, both dated 22 May 1997) had performed successfully in their last three consecutive proficiency tests. Seven of the eight had met all the criteria established by the Conference at its First Session for designation by the Director-General.

Central OPCW Analytical Database

- 5.48 During 1997 the Technical Secretariat, supported by the Finnish Institute for the Verification of the Chemical Weapons Convention (VERIFIN), started the implementation of the electronic version of the Central OPCW Analytical Database. The official delivery of the system, program version 3.1.3, took place on 8 December 1997. The system, which was delivered as a gift by Finland, comprised, in the agreed electronic format, the mass and infrared spectra data, together with retention indices, adopted by the Conference at its First Session (C-I/DEC.64, dated 22 May 1997, and Corr.1, dated 13 October 1997).
- 5.49 The total number of mass (MS), infrared (IR) and nuclear magnetic resonance (NMR) spectra contributed to the Central OPCW Analytical Database and approved for incorporation into this database by the Conference at its First Session were 394, 194, and 492 respectively. Of these, 348 MS spectra and 142 IR spectra had been incorporated into the electronic database by 31 December 1997. The NMR spectra were required and maintained in hard copy versions only. The limited number of mass spectra in the Central OPCW Analytical Database - less than 10% of the likely

number of relevant compounds in the Schedules alone - remained a cause for serious concern in the event that the Technical Secretariat might be required to operate its GC/MS on site in the blinded mode.

- 5.50 The Technical Secretariat conducted testing for the further development of the system to confirm that on-site databases can be created for the OPCW GC/MS. The provisional certification process adopted by the Conference at its First Session (C-I/DEC.63, dated 22 May 1997) was begun for GC/MS and IR data.

Analytical procedures and equipment

- 5.51 The finalisation of on-site sample collection, sample preparation and analysis procedures, and the procurement and development of equipment and means of transport for it, continued throughout 1997. This task proved challenging, especially when it came to the following items of approved inspection equipment (C-I/DEC.71, dated 23 May 1997): sample collection kit, GC/MS sample preparation kit, and gas chromatograph-mass spectrometer. The outcome of the testing and evaluation of the blinded software for the GC/MS had been made available to Member States of the Preparatory Commission in a Note by the Executive Secretary (PC-XVI/B/13, dated 5 May 1997). After that further development work continued, resulting in a number of modifications to the GC/MS instrument, which was now capable of fulfilling the current technical and political requirements with respect to its use in the blinded mode. The final testing of the modified GC/MS had begun.

OPERATIONAL ISSUES

Cooperation of the inspected States Parties

- 5.52 The overall rating for cooperation recorded in final inspection reports was extremely good. In over 90% of all inspections conducted in the period under review, the cooperation of the inspected States Parties was rated as above average by the inspection teams. At the same time, a number of operational issues related to the conduct of inspections arose during the period under review. The Technical Secretariat held consultations with a number of States Parties in order to resolve certain ongoing issues related to the use by OPCW inspection teams of approved inspection equipment.
- 5.53 During 37 inspections conducted in 1997, restrictions were placed by the inspected States Parties on items of approved OPCW inspection equipment. On each occasion, these restrictions made the fulfilment by the inspection team of its mandate more difficult and time-consuming, thus affecting the overall efficiency of the inspection. In most instances the restrictions were related to reconciling the appropriate use of inspection equipment with the domestic standards of the inspected State Party and the exclusion by the inspected States Parties of certain items of approved equipment from the equipment that was allowed to be used on site. Several inspection reports also noted difficulties in meeting the 12-hour timeline between arrival at the POE and arrival at the site to be inspected, as mandated by the Convention. These delays resulted, inter alia, from one-time logistical constraints (e.g. aircraft delays, inclement

weather etc.) or from the fact that the POE was simply too far away from the declared site, and could not be reached within the 12-hour timeline under any circumstances._

Health and safety issues

- 5.54 An excellent safety record for inspections was established and maintained throughout the period under review. No significant accidents or incidents occurred that resulted in negative health and safety consequences. Regarding the issue of requirements for blood testing on OPCW inspectors, in a number of cases the Technical Secretariat was able to negotiate arrangements with States Parties that limit the number of blood samples required to establish acetylcholinesterase activity levels. Efforts were ongoing to find additional ways of satisfying local regulations and safety concerns, as well as of limiting the application of invasive medical procedures to OPCW inspectors.

Facility agreements - status and statistics

- 5.55 The processing of inspection reports and facility agreements, in accordance with the timelines set down in the Convention, proved to be difficult, for both the Technical Secretariat and the inspected States Parties. One area of particular concern was the conclusion of the facility agreements for those sites which require them. By 31 December, the Council had approved two facility agreements - for Schedule 1 facilities in Australia and Sweden respectively - and five transitional verification arrangements (TVAs) for CWDFs in the United States of America. The facility agreements for the remaining 78 inspected facilities required additional work on the part of the Technical Secretariat and inspected States Parties.

Destruction activities in four CW possessors and the need for destruction plans

- 5.56 Two of the three States Parties which in 1997 declared that they possessed stockpiles of chemical weapons submitted the required general destruction plans in accordance with Article III, subparagraph 1(a)(v) of the Convention, and paragraph 6 of Part IV(A) of the Verification Annex.
- 5.57 During 1997 chemical weapons destruction operations were carried out only in the United States of America. Destruction plans in the other possessor States Parties were in the preparatory stage.
- 5.58 Since EIF two States Parties possessing old and/or abandoned chemical weapons dating from 1925 - 1946 had provided their general destruction plans.

Verification regime for monitoring the destruction of CW

- 5.59 The verification regime for CWDFs is unique compared to that required by the Convention for other types of facility. The inspected State Party is required to provide access to its CWDFs during the entire active phase of the destruction process. In practical terms, however, the application of the verification regime depends on

several factors, amongst which is the category of the CW to be destroyed. Other factors include:

- (a) the destruction technology and the process control instrumentation used at the facility;
- (b) the location of the facility;
- (c) the specific verification arrangements implemented at the facility; and
- (d) the risk evaluation posed by the specific type of CW to be destroyed.

5.60 While there is no final agreement on the specific verification procedures to be applied to CWDFs, general guidelines for inspection activities which provided a general approach for the fulfilment of systematic verification at CWDFs were approved by the Conference at its First Session (C-I/DEC.6, dated 14 May 1997).

5.61 The practical implementation of the verification regime at continuously operating CWDFs which already existed at EIF resulted, mainly due to the specific configuration of these facilities and lack of experience, in the permanent physical presence of inspection teams at these facilities. Although the Convention requires that inspectors be granted access to conduct their activities at CWDFs and CWSFs located at such facilities during the entire active phase of destruction, the continuing presence of inspectors at destruction facilities is likely to be a very resource-intensive exercise over the destruction period, both for the inspected States Parties and for the Technical Secretariat. It was pointed out above that some 61% of all inspection days in 1997 were spent at operating destruction facilities. As destruction operations in possessor States gather momentum, the requirements for monitoring at operating destruction facilities are likely to continue to increase substantially unless viable alternatives to current practices are found. The Technical Secretariat therefore initiated consultations with interested States Parties in the Council with the purpose of seeking cost-effective solutions consistent with the objectives of the Convention.

5.62 The development of a universal multilateral approach to the verification regime for all CWDFs would enhance the effectiveness of verification. Issues which arose during the period under review, and which may need further consideration, were as follows:

- (a) the verification/certification of the nominal weight of munitions or devices;
- (b) the verification of the quantity of chemical agents and/or precursors destroyed or awaiting destruction;
- (c) the tagging of munitions and containers at the temporary holding area of the CWDF for sampling purposes;
- (d) the sealing of the relevant destruction process line equipment and instrumentation, and the installation of additional observation and recording equipment;

- (e) the consideration and confirmation of the end-point of destruction for chemical agents and metal parts;
- (f) the calibration and testing of the analytical equipment provided by the facility, and the delivery of the analytical standards for the agents and/or precursors, including their certification;
- (g) the updating of CWDF declaration information such as site diagrams, and of the simulation munitions declaration;
- (h) the use of the Organisation's own inspection equipment (analytical and weighing) on site;
- (i) improved access to CWDFs and site documentation; and
- (j) the verification of CW movements between CWSFs and CWDFs.

Verification of the destruction of OCW and/or ACW

- 5.63 The question of the verification measures to be applied to the destruction of post-1925 old chemical weapons and/or abandoned chemical weapons remained outstanding after EIF. It may be necessary also to agree on a mechanism for determining the frequency and duration of any such verification.
- 5.64 A more pressing problem, however, was the resolution of the outstanding issue of "guidelines to assess the usability of chemical weapons produced between 1925 and 1946". The issue remained unresolved at the end of 1997.

Issues related to costs of verification

- 5.65 The issues of the costs of the verification of chemical weapons and related facilities, as well as of old and abandoned chemical weapons, remained unresolved at the end of 1997.

6. THE IMPLEMENTATION OF ARTICLES X AND XI

Implementation of Article X

Information submitted by States Parties under paragraph 4 of Article X

- 6.1 Under paragraph 4 of Article X, States Parties are to submit each year information on their national programmes related to protective purposes. By the conclusion of the period under review, the Conference had yet to consider and approve procedures for these annual submissions. The States Parties had to decide unilaterally what information to submit and when to submit it on an annual basis. During the period under review, the Technical Secretariat received information on national programmes related to protective purposes from only three States Parties (the Czech Republic, France and Sweden).

Data bank on protection against chemical weapons (paragraph 5 of Article X)

- 6.2 Paragraph 5 of Article X required the Technical Secretariat to establish, not later than 180 days after the entry in to force of the Convention, and to maintain, a data bank containing freely available information concerning various means of protection against chemical weapons. To ensure that the documents obtained or collected so far are readily accessible, a database was set up under Micro ISIS, a software package developed and maintained by UNESCO. For indexing purposes, a thesaurus was developed to ensure the uniform usage of index terms.

Assistance to be provided by States Parties through the Organisation

- 6.3 In accordance with paragraph 7 of Article X, each State Party undertakes to provide assistance through the Organisation, and to this end to elect to take one or more of the following measures:
- (a) to contribute to the Voluntary Fund for Assistance;
 - (b) to conclude agreements with the Organisation concerning the procurement, upon demand, of assistance; and
 - (c) to declare the kind of assistance it might provide in response to an appeal by the Organisation.
- 6.4 Annex 11 to this report provides information on assistance measures elected by the States Parties under paragraph 7 of Article X as of 31 December 1997.
- 6.5 No requests for assistance were received by the Organisation in 1997.

Status of the Voluntary Fund for Assistance

- 6.6 The Conference at its First Session established the Voluntary Fund for Assistance (C-I/DEC.52, dated 16 May 1997). Six States Parties contributed to the Voluntary Fund during 1997, while three additional States Parties announced that they may choose this option in order to fulfil their assistance obligations under the Convention. The status of the Voluntary Fund at the conclusion of the period under review was NLG 291,627 (see annex 12 to this report). No use was made of Voluntary Fund resources during 1997.
- 6.7 Seventeen States Parties made unilateral offers of assistance under subparagraph 7(c) of Article X. An additional three States Parties provided the Technical Secretariat with statements relating to paragraph 7 of Article X, without clearly indicating, however, which of the options available to them they had elected. Four States Parties opted for more than one of the measures to provide assistance (see annex 11 to this report).

Measures in relation to the implementation of Article XI

Support provided to National Authorities

- 6.8 During the period under review, the Technical Secretariat organised two training courses for personnel of National Authorities: one in Harare, Zimbabwe, and the other in Ypenburg, the Netherlands. The courses were attended by 50 participants involved in the national implementation of the Convention from 36 Member States.
- 6.9 These training courses proved valuable for the participating personnel from National Authorities. Their character gradually changed, from emphasising tasks such as setting up a National Authority and preparing implementing legislation, to a focus on the more practical aspects of implementation, particularly in relation to preparing declarations and escorting OPCW inspection teams. The Technical Secretariat also assisted Gabon to organise a national training course. Some training was also incorporated on a regular basis in the programmes of regional seminars, for the benefit of the host Member States.
- 6.10 The provision of administrative and technical support to National Authorities in the preparation of their OPCW declarations became an important task for the Technical Secretariat. Under this declaration support programme, the Technical Secretariat held a workshop in The Hague in December 1997, which was attended by personnel from National Authorities from 15 State Parties and one signatory State which had deposited its instrument of ratification.

Building national capabilities relevant to the implementation of the Convention

- 6.11 The development of the technical analytical capabilities of Member States relevant to the implementation of the Convention is an important objective of the OPCW. While only a limited number of laboratories will actually need to be designated by the Director-General, many Member States may wish to have the capability to undertake chemical analyses relevant to the implementation of the Convention, for both reference and national implementation purposes. To achieve these goals, the OPCW initiated a support programme for national laboratories (cf. C-II/DG.3, dated 17 June 1997). As a first step, the Technical Secretariat provided support to an integrated programme to improve the technical capabilities of the Defence Research and Development Establishment in Gwalior, India.

Exchanges of chemicals, equipment and scientific and technical information relating to the development and application of chemistry for purposes not prohibited under the Convention

Information service

- 6.12 Since the entry into force of the Convention, the Technical Secretariat has been operating a free information service for Member States. The service provides information on topics related to the properties of dangerous chemicals, as well as on suppliers and producers of chemicals and chemical technology. To publicise this

service, the Technical Secretariat contacted more than 360 companies and organisations in Asia, Latin America, Africa, and Eastern Europe to inform them of its existence and scope. During the period under review, seven enquiries were received and responded to, on the following subject areas: health and safety issues related to chemicals; suppliers and producers of chemicals and chemicals technology; information on scheduled chemicals; regulations applicable to scheduled chemicals; substitutes for toxic chemicals in manufacturing operations; and properties of industrial by-products. These enquiries originated from companies and other institutions in four Member States.

Conference attendance and internship support programmes

- 6.13 The Convention emphasises the importance of facilitating access for all States Parties to scientific and technological information. To this end, a programme was set up to enable scientists and engineers from developing countries, as well as from countries with economies in transition, who are States Parties to the Convention, to attend international meetings in the fields of chemistry and chemical technology, or in other areas relevant to the implementation of the Convention (cf. C-II/DG.2, dated 17 June 1997).
- 6.14 During the period under review, the Technical Secretariat supported seven participants from Turkey (six) and Albania (one) in the Second Mediterranean Basin Conference on Analytical Chemistry, held in Rabat, Morocco, in October 1997.
- 6.15 The OPCW's internship programme is intended to help scientists and engineers from developing countries or countries with economies in transition to gain experience by working for a period at an advanced research institution. During 1997 the programme was initiated, and potential internships were identified.

Laboratory equipment and technology exchange programmes

- 6.16 As part of the OPCW website, the Technical Secretariat in 1997 established a separate set of web pages containing details of programmes related to international cooperation and assistance, including an interactive site to promote exchanges of chemical technology, as well as of laboratory equipment. There were 12 inquiries about laboratory equipment exchange.

Cooperation with other organisations

- 6.17 The Technical Secretariat maintains contacts with international and national chemical industry associations, including the European Chemical Industry Council (CEFIC), the US Chemical Manufacturers' Association (CMA), the Japanese Chemical Industry Association (JCIA), and the Dutch Chemical Industry Association. These contacts are essential for the implementation of a range of international cooperation programmes.
- 6.18 Initial contacts were established with, inter alia, the International Programme on Chemical Safety (IPCS), the Inter-Organisational Programme for the Sound Management of Chemicals (IOMC), and the Basel Convention on the Control of

Transboundary Movement of Hazardous Wastes and Their Disposal. These contacts were at this stage limited to the exchange of information about the programs pursued by the OPCW as well as by the organisations contacted, and the discussion of potential areas of common interest. They were essential to identify areas where joint programming would be to the benefit of States Parties, in particular where national implementation measures of the Chemical Weapons Convention overlap with activities related to the implementation of other international instruments or national regulatory requirements.

7. OTHER IMPLEMENTATION-RELATED MATTERS

Legislative and administrative measures taken by States Parties

- 7.1 Article VII, paragraph 5, of the Convention provides that “Each State Party shall inform the Organization of the legislative and administrative measures taken to implement this Convention.” Although, during the preparatory phase, a number of signatory States submitted to the Technical Secretariat copies of their ratification acts, enabling legislation or specific pieces of legislation (acts establishing the National Authority, for example) and draft comprehensive legislation, only a few notified the Technical Secretariat of approval of their comprehensive legislation by the appropriate decision-making body. During the period under review, 26 States Parties made formal submissions to the Technical Secretariat under Article VII, paragraph 5.

Visas and travel documents for OPCW inspectors

- 7.2 During the period under review, the Technical Secretariat acquired 397 visas and 164 United Nations laissez-passers. There were no problems with any State Party in relation to the requesting of visas.

8. RELATIONSHIP WITH STATES AND INTERNATIONAL ORGANISATIONS

- 8.1 On 30 September, the Director-General addressed the 41st General Conference of the International Atomic Energy Agency. He presented papers to the Scientific and Technology Committee of the North Atlantic Assembly and to the North Atlantic Assembly’s Defence and Security Committee on 11 October, and addressed the First Committee of the United Nations General Assembly on 16 October.

Outreach activities in Brussels

- 8.2 Technical Secretariat officials visited Brussels on a number of occasions throughout 1997 to brief representatives of different States on the activities of the OPCW in The Hague. On 14 and 15 October, a Workshop on the National Implementation of the Chemical Weapons Convention organised by the Technical Secretariat was held at the European Parliament Building in Brussels.

Regional seminars on national implementation of the Convention

- 8.3 The Technical Secretariat held a Regional Seminar on National Implementation of the Chemical Weapons Convention in Libreville, Gabon, from 23 to 24 October 1997. The seminar, which was preceded by a one-day Training Course for Personnel of National Authorities, was attended by a number of officials from the Gabon Government, as well as by representatives of Cameroon, the Central African Republic, Chad, Congo, Equatorial Guinea and Gambia. The National Authority of the Slovak Republic, in cooperation with the OPCW, organised a regional seminar from 11 - 12 December 1997 in Bratislava, Slovakia. Government representatives of Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Germany, Hungary, Latvia, Poland, Romania, Slovenia, Switzerland, The former Yugoslav Republic of Macedonia, and Ukraine attended the seminar, as well as officials from the Slovak government and representatives of De Paul University (USA) and the Frankfurt Peace Research Institute (Germany).

9. FINANCIAL MATTERS

- 9.1 The 1997 OPCW budget (NLG 88,773,800) closed with a surplus of NLG 36.1 million. The underspend was caused by the following exceptional circumstances in the period prior to EIF: the lack of historical data upon which to draw in the preparation of the first OPCW budget, and the lack of agreement among Member States on basic assumptions, particularly on those relating to verification. After EIF, the following exceptional factors also accounted for the surplus: the deferral of purchases of equipment and of the hiring of staff because of the delayed payment of assessed contributions; the lack of personnel, particularly in the Human Resources and Procurement and Support Services Branches, to hire new staff and to purchase new equipment during the last three months of the year, when the contributions from Member States became available; and certain specific budgetary assumptions that proved to be incorrect. Almost NLG 20 million of the surplus, i.e. 56% of it, was accounted for by Programme V.2 (Inspectorate). The lack of agreement on basic assumptions such as sequential inspections, and the sheer difficulty of making sound estimates for an entirely new activity - the actual conduct of inspections - complicated the accurate estimation and projection of costs. In accordance with the recommendations of the Council at its Seventh Session, the Conference at its Second Session adopted the OPCW programme and budget for 1998 as amended by the Conference (C-II/6, dated 5 December 1997, and Corr.1, dated 15 January 1998), and appropriated a total amount of NLG 140,797,000. The Conference also adopted the scale of assessments for 1998 (C-II/DEC.13, dated 5 December 1997).
- 9.2 During the period under review, the Technical Secretariat received contributions from Member States in the total amount of about NLG 97.5 million, of which about NLG 84 million related to the 1997 OPCW budget and the Working Capital Fund, while about NLG 13.5 million related to previous years. The collection rate for the financial contributions was 96% for the Preparatory Commission for the years 1993 to 1997, and 85.3% for the 1997 OPCW budget. These rates considerably exceed the average collection rates of United Nations organisations, which are normally between 70 and 75%. Nevertheless, and in spite of the marked improvement in the collection

of annual contributions, 47, or 45%, of the 105 States Parties, representing 4.4% of the total assessments, did not make any contributions to the 1997 OPCW budget, despite repeated appeals by the Director-General for assessed contributions to be made on a timely basis.

- 9.3 During the period May to the end of August 1997, the Technical Secretariat experienced a difficult cash flow situation which was caused, on the one hand, by late payments of assessed contributions and, on the other, by the necessity for the Technical Secretariat to set aside funds to meet the obligations of some NLG 11 million arising from the Preparatory Commission, while at the same time paying for non-discretionary expenditure such as salaries, common staff costs, rent, communications and other contractual obligations in the amount of some NLG 5 million per month. After the end of August 1997, however, the cash flow situation improved markedly.
- 9.4 Annex 13 to this report contains eight appendices with information on the financial situation: a statement of income and expenditure and changes in reserves and fund balances for the period ending 31 December 1997; a statement of assets, liabilities and reserves and fund balances for the period ending 31 December 1997; a statement of cash flow for the period ending 31 December 1997; a statement of appropriations for the period ending 31 December 1997; a statement of income and expenditure and changes in reserves and fund balances for the period ending 31 December 1997; a statement of assets, liabilities and reserves and fund balances as at 31 December 1997; the status of investments as of 31 December 1997; and the status of contributions as at 31 December 1997.
- 9.5 The audited financial statements of the OPCW for the period ending 31 December 1997 will be forwarded to the Advisory Body on Administrative and Financial Matters, ultimately for submission to the Council.

External audits

- 9.6 The 1996 and 1997 financial statements of the Preparatory Commission and the Provident Fund of the Preparatory Commission were audited by the External Auditor, who found no weaknesses or errors considered material to their accuracy, completeness and validity, and who accordingly placed an unqualified opinion on them. The reports of the External Auditor and the audited 1996 and 1997 financial statements, together with the related comments by the Director-General, were noted by the Council at its Sixth Session, and ultimately by the Conference at its Second Session.

Liquidator for the Preparatory Commission

- 9.7 The Government of the Netherlands offered the services of Mr A.Th.A. Koet, Director of Accounting of the Netherlands Ministry of Finance, to act as Liquidator of the Preparatory Commission, at no cost to the OPCW. Mr Koet was on 3 December 1997 appointed by the Director-General as Liquidator of the Preparatory Commission, to prepare the final financial statements of the Preparatory Commission for the period ending 31 May 1998.

10. OTHER ISSUES

Confidentiality and security

- 10.1 In accordance with the Confidentiality Annex and the OPCW Policy on Confidentiality, the Director-General promulgated the OPCW Manual of Confidentiality Procedure. The manual introduced a number of detailed working procedures on the handling and protection of confidential information by all persons authorised to deal with OPCW classified documents. The Technical Secretariat also developed several standard operating procedures supporting the processing of confidential information in the course of its verification activities.
- 10.2 At its Second Session, the Conference provisionally approved the operating procedures of the Commission on the Settlement of Disputes Relating to Confidentiality ("Confidentiality Commission"). The Conference appointed the International Bureau of the Permanent Court of Arbitration in The Hague to serve as the Registry of the Confidentiality Commission, subject to the conclusion of an agreement between the two organisations "which shall include provisions on measures to ensure that the Registry acts in accordance with the OPCW confidentiality regime" (C-II/DEC.14, dated 5 December 1997).
- 10.3 A detailed report by the Director-General on the implementation of the OPCW confidentiality regime in the period between EIF (29 April 1997) and 30 September 1998 will be submitted separately to the Conference at its Third Session in accordance with paragraph 3, Part A of the Confidentiality Annex.

Conference and language services

- 10.4 The Technical Secretariat continued to provide the different organs of the OPCW with conference and language services. As of 31 December 1997, 5,709 pages of official documents had been distributed in English since EIF.
- 10.5 In the period under review, 3,858 pages of official documents were translated into all languages of the Organisation, and 549 pages of general unofficial documentation were translated from one official language of the Organisation into another official language.
- 10.6 The Conference Services Branch remained understaffed due to problems in recruiting suitably qualified linguists. The linguistic capacity of the Organisation may require review.

Legal activities

- 10.7 After the First Session of the Conference, legal activities focused primarily on the following areas: the provision of legal advice on the application of the provisions of the Convention; agreements; implementing legislation; institution building, specifically for administrative measures; and contracts for goods and services, and for the new OPCW building.

- 10.8 All international agreements concluded between the OPCW and any of its members, between the OPCW and any other State(s), or between the OPCW and another international organisation, were recorded in a register of international agreements (a table listing the international agreements registered with the OPCW as of 31 December 1997 is contained in annex 14 to this report).

Human resources

- 10.9 Two hundred and seventy posts in the professional and higher categories and 135 posts in the general service category were authorised in the OPCW programme and budget for 1997. As of 31 December, 228 of these posts in the professional and higher categories had been filled by staff representing 54 Member States. 122 of the posts in the general service category had also been filled on that date. The regional breakdown of nationalities represented in the professional and higher categories as of 31 December was as follows: Africa: 8%; Asia: 25%; Eastern Europe: 18%; Latin America and Caribbean: 11%; and WEOG: 38%. The breakdown by gender and professional or general service category as of 31 December 1997 was as follows: women staff in the professional or higher category: 36; male staff in the professional or higher category: 192; women staff in the general service category: 51; and male staff in the general service category: 71. A chart reflecting the structure of the Technical Secretariat at the conclusion of the period under review, as well as its nomenclature, is contained in annex 15 to this report.
- 10.10 The number of women staff members in the professional and higher categories remained low at 36, or 16% of the staff in this category.

Recruitment

- 10.11 In the period under review, the Technical Secretariat advertised 133 posts in the professional and higher category. 62 posts in the general services category were also advertised. As of 31 December, training contracts had been offered to 82 inspectors and inspection assistant trainees.

Training Groups A and B

- 10.12 During the period under review the Training Branch organised, supervised and participated in the last phase of Training Group A, Module 3 on-site trial inspection, in the Member States offering facilities for such inspections (China, the Czech Republic, Germany, Italy, Japan, Romania, and the Slovak Republic). One hundred and thirty-five trainees successfully concluded the 20-week training - 111 from ratifying States, who were recruited as OPCW inspector/inspection assistants at EIF. Of the 24 trainees who were from non-ratifying States at EIF, 14 were recruited during 1997. Eighty-two qualified candidates were identified for Training Group B, including CW/MS specialists, chemical production technologists, chemical production logisticians, medical specialists, and paramedics.

Other training activities

- 10.13 In order to implement successfully the OPCW Manual of Confidentiality Procedure, a training programme was initiated for all directors and branch heads, as well as for all other staff occupying posts with responsibilities impacting on confidentiality matters. Induction training for all other staff was also conducted.

Accommodation-related matters

- 10.14 As one of his first activities connected with the new OPCW building, the Director-General signed the Tenancy Agreement for the New Purpose-Built OPCW Office Building at a ceremony which took place on 23 May 1997. The Technical Secretariat commenced intensive planning and preparations for the move of the staff and equipment of the Organisation to its new headquarters. In addition, preparatory work for the final inspections of the new building and for its hand-over was underway.
- 10.15 On 1 September, the Technical Secretariat signed the Contract for the Supply of Office Furniture and Related Equipment for the OPCW Within the Netherlands, to supply furniture for the offices and public areas in the new OPCW building (annex to EC-IV/DG.15, dated 4 September 1997). Throughout the period under review, the Technical Secretariat continued to maintain the three facilities at Laan van Meerdervoort 51, the Aegon building, and the OPCW Laboratory and Equipment Store in Rijswijk.

Procurement

- 10.16 As of 31 December, purchase orders to a total value of approximately NLG 10,000,000 had either been issued by the OPCW or were being processed, excluding the zero valued purchase orders issued under Articles 1 and 2 of the sole supplier contract. Procurement activities concerned mainly the needs of the Inspectorate, the Information Systems Branch, the Procurement and Support Services Branch, and the OPCW Laboratory and Equipment Store.

Upgrading and development of the IMS

- 10.17 At the conclusion of the period under review more than 250 staff (including temporary and short-term staff) were using the information management system (IMS), working with the various applications available on seven separate networks, in four locations.
- 10.18 The security non-critical network supported various applications available to functional areas of the Technical Secretariat. The implementation of various administration modules continued.
- 10.19 The security-critical network supports limited applications which are strictly implemented within the context of the prescribed security measures. The electronic document management system for the verification information system (VIS-EDMS)

had been installed by EIF, and a subsequent audit by experts from the following States Parties: France, Germany, Italy, the Netherlands, and the United States of America, made several recommendations that led to a decision not to load declaration data into the EDMS until the environment for the EDMS was brought up to the level recommended by the review of the IABG security study for the security-critical network. The audit team was then composed of Mr A. Atger (France), Mr H. Bernard (France), Mr A. De Jong (Netherlands), Mr J. Eatherly (USA), Mr F. Metalli (Italy), and Mr T. Rode (Germany). The implementation of the Computer Associate “Unicenter”, a network security management software, was completed in November. The inspection planning module is an integral part of the VIS operating in the security-critical network.

- 10.20 An analysis of the OPCW’s library requirements concluded that an improved library management system would be a necessary prerequisite for the introduction of the OPCW library in the new OPCW building. A temporary MS Access database was customised, to track the existing decentralised libraries. The security non-critical archives were also managed by the Information Systems Branch, and an electronic database was developed to implement the storage of documents. The volume of mail received and sent had tripled since EIF.

11. OFFICE OF INTERNAL OVERSIGHT

The Director of Internal Oversight was appointed in June 1997. From 1 July to 31 December 1997, in the absence of the internal and confidentiality auditors and of the quality assurance manager, work focused on the establishment of the office, with emphasis on the following areas: the recruitment of the staff members of the Office of Internal Oversight; the collection of relevant information resources for the internal and confidentiality auditors; the establishment of formal procedures to serve as a guide for the audit staff; and the 1998 Annual Work Programme. A study of the functions and work of the Administration Division was undertaken by the Director of Internal Oversight during the period under review.

Annex 1

LIST OF MEMBER STATES OF THE OPCW

(as of 31 December 1997)

- | | | |
|----------------------------|--------------------------------------|---|
| 1. Albania | 42. India | 80. Russian Federation |
| 2. Algeria | 43. Iran (Islamic Republic of) | 81. Saint Lucia |
| 3. Argentina | 44. Ireland | 82. Saudi Arabia |
| 4. Armenia | 45. Italy | 83. Seychelles |
| 5. Australia | 46. Japan | 84. Singapore |
| 6. Austria | 47. Jordan | 85. Slovakia |
| 7. Bahrain | 48. Kenya | 86. Slovenia |
| 8. Bangladesh | 49. Kuwait | 87. South Africa |
| 9. Belarus | 50. Lao People's Democratic Republic | 88. Spain |
| 10. Belgium | 51. Latvia | 89. Sri Lanka |
| 11. Bosnia and Herzegovina | 52. Lesotho | 90. Suriname |
| 12. Brazil | 53. Luxembourg | 91. Swaziland |
| 13. Brunei Darussalam | 54. Maldives | 92. Sweden |
| 14. Bulgaria | 55. Mali | 93. Switzerland |
| 15. Burkina Faso | 56. Malta | 94. Tajikistan |
| 16. Cameroon | 57. Mauritius | 95. The former Yugoslav Republic of Macedonia |
| 17. Canada | 58. Mexico | 96. Togo |
| 18. Chile | 59. Monaco | 97. Trinidad and Tobago |
| 19. China | 60. Mongolia | 98. Tunisia |
| 20. Cook Islands | 61. Morocco | 99. Turkey |
| 21. Costa Rica | 62. Namibia | 100. Turkmenistan |
| 22. Côte d'Ivoire | 63. Nepal | 101. United Kingdom of Great Britain and Northern Ireland |
| 23. Croatia | 64. Netherlands | 102. United States of America |
| 24. Cuba | 65. New Zealand | 103. Uruguay |
| 25. Czech Republic | 66. Niger | 104. Uzbekistan |
| 26. Denmark | 67. Norway | 105. Zimbabwe |
| 27. Ecuador | 68. Oman | <u>Entry into force pending:</u> |
| 28. El Salvador | 69. Pakistan | 1. Venezuela |
| 29. Equatorial Guinea | 70. Papua New Guinea | (EIF 02-01-98) |
| 30. Ethiopia | 71. Paraguay | |
| 31. Fiji | 72. Peru | |
| 32. Finland | 73. Philippines | |
| 33. France | 74. Poland | |
| 34. Georgia | 75. Portugal | |
| 35. Germany | 76. Qatar | |
| 36. Ghana | 77. Republic of Korea | |
| 37. Greece | 78. Republic of Moldova | |
| 38. Guinea | 79. Romania | |
| 39. Guyana | | |
| 40. Hungary | | |
| 41. Iceland | | |

Annex 2

**SIGNATORY STATES WHICH HAD NOT YET RATIFIED THE
CHEMICAL WEAPONS CONVENTION**

(as of 31 December 1997)

- | | |
|--------------------------------------|--------------------------------------|
| 1. Afghanistan | 41. Mauritania |
| 2. Azerbaijan | 42. Micronesia (Federated States of) |
| 3. Bahamas | 43. Myanmar |
| 4. Benin | 44. Nauru |
| 5. Bhutan | 45. Nicaragua |
| 6. Bolivia | 46. Nigeria |
| 7. Burundi | 47. Panama |
| 8. Cambodia | 48. Rwanda |
| 9. Cape Verde | 49. Saint Kitts and Nevis |
| 10. Central African Republic | 50. Saint Vincent and the Grenadines |
| 11. Chad | 51. Samoa |
| 12. Colombia | 52. San Marino |
| 13. Comoros | 53. Senegal |
| 14. Congo | 54. Sierra Leone |
| 15. Cyprus | 55. Thailand |
| 16. Democratic Republic of the Congo | 56. Uganda |
| 17. Djibouti | 57. Ukraine |
| 18. Dominica | 58. United Arab Emirates |
| 19. Dominican Republic | 59. United Republic of Tanzania |
| 20. Estonia | 60. Viet Nam |
| 21. Gabon | 61. Yemen |
| 22. Gambia | 62. Zambia |
| 23. Grenada | |
| 24. Guatemala | |
| 25. Guinea-Bissau | |
| 26. Haiti | |
| 27. Holy See | |
| 28. Honduras | |
| 29. Indonesia | |
| 30. Israel | |
| 31. Jamaica | |
| 32. Kazakhstan | |
| 33. Kyrgyzstan | |
| 34. Liberia | |
| 35. Liechtenstein | |
| 36. Lithuania | |
| 37. Madagascar | |
| 38. Malawi | |
| 39. Malaysia | |
| 40. Marshall Islands | |

Annex 3

Annex 4

Annex 5

Annex 6

Annex 7

Annex 8

Annex 9

Annex 10

Annex 11

**ASSISTANCE MEASURES ELECTED BY THE STATES PARTIES UNDER
PARAGRAPH 7 OF ARTICLE X,
AS OF 31 DECEMBER 1997**

State Party	Date of submission	Voluntary Fund	Bilateral agreement	Unilateral offer	Offer to be clarified
Australia	24 Oct 97			Yes	
Austria	22 Oct 97			Yes	
Belarus	2 May 97				Yes
Belgium	22 Dec 97	Yes			
Canada	11 Sep 97	Yes			
Chile	28 May 97	Yes			
Cuba	26 Nov 97			Yes	
Czech Republic	23 Oct 97			Yes	
Finland	17 Dec 97	Yes			
France	27 Oct 97			Yes	
Germany	8 Oct 97			Yes	
India	4 Nov 97			Yes	
Italy	31 Oct 97	Yes			
Kenya	15 Dec 97	Yes			
Luxembourg	27 Nov 97	Yes			
Monaco	19 Nov 97				Yes
Morocco	29 May 97				Yes
Netherlands	21 July 97	Yes			
New Zealand	25 Jun 97	Yes			
Norway	27 Nov 97	Yes			
Poland	31 Oct 97		Yes	Yes	
Republic of Korea	23 Dec 97	Yes			
Romania	28 Oct 97			Yes	
Slovakia	20 Nov 97			Yes	
Singapore	19 Dec 97			Yes	
South Africa	27 Nov 97			Yes	
Spain	12 Nov 97		Yes	Yes	
Sweden	24 Oct 97	Yes		Yes	
Switzerland	24 Oct 97	Yes		Yes	
United Kingdom of Great Britain and Northern Ireland	24 Oct 97			Yes	
United States of America	28 Oct 97			Yes	
Total		13	2	17	3

Annex 12

**STATUS OF THE VOLUNTARY FUND FOR ASSISTANCE
AS OF 31 DECEMBER 1997**

State Party	Amount paid (NLG)
Canada	50,000
Finland	55,829
Ireland	25,000
Netherlands	75,000
New Zealand	15,949
Norway	50,000
Republic of Korea	19,849
Total	291,627

Annex 13, Appendix 1
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
All Funds for the period ending 31 December 1997

	(expressed in Netherlands guilders)							
	General Fund		Working Capital Fund		Trust Funds		TOTAL	
	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97
INCOME								
Assessed contributions	86,613,864	43,154,142	-	-	-	-	86,613,864	43,154,142
Voluntary contributions	-	-	-	-	483,951	13,308	483,951	13,308
Other/Miscellaneous income					-	-		
Allocations from other funds	-	-	-	-	-	-	-	-
Assessed contributions - new Member States	1,372,700	44,125	-	-	-	-	1,372,700	44,125
Interest income	819,086	321,070	-	-	5,912	2,814	824,998	323,884
Currency exchange adjustments	-	7,285	-	-	802	12,830	802	20,115
Other	-	-	-	-	-	-	-	-
TOTAL INCOME	88,805,650	43,526,622	-	-	490,665	28,952	89,296,315	43,555,574
EXPENDITURE	52,702,824	36,629,819	-	-	208,601	87,659	52,911,425	36,717,478
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	36,102,826	6,896,803	-	-	282,064	(58,707)	36,384,890	6,838,096
Prior period adjustments	856	74,360	-	-	-	-	856	74,360
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	36,103,682	6,971,163	-	-	282,064	(58,707)	36,385,746	6,912,456
Savings on prior periods' obligations	-	19,336	-	-	61,988	-	61,988	19,336
Transfers to/from other funds	-	-	-	-	-	-	-	-
Credits to Member States	-	(4,056,201)	-	-	-	-	-	(4,056,201)
Reserves and fund balances, beginning of period	14,652,178	11,717,880	10,388,486	-	113,812	172,519	25,154,476	11,890,399
RESERVES AND FUND BALANCES, END OF PERIOD	50,755,860	14,652,178	10,388,486	-	457,864	113,812	61,602,210	14,765,990

Annex 13, Appendix 2
STATEMENT OF ASSETS, LIABILITIES AND RESERVES AND FUND BALANCES
All Funds as at 31 December 1997

	(expressed in Netherlands guilders)							
	General Fund		Working Capital Fund		Trust Funds		TOTAL	
	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97
ASSETS								
Cash and term deposits	49,131,828	8,726,241	7,176,265	-	501,175	212,335	56,809,268	8,938,576
Accounts receivable								
Assessed contributions receivable from Member States	17,209,719	17,828,118	-	-	-	-	17,209,719	17,828,118
Voluntary contributions receivable	-	-	-	-	-	-	-	-
Advances receivable	-	-	1,611,448	-	-	-	1,611,448	-
Inter-fund balances	192,803	54,183	1,601,829	-	19,924	519	1,814,556	54,702
Inter-entidy balances	-	995,030	-	-	-	-	-	995,030
Other	2,327,724	1,437,113	-	-	34,191	5,574	2,361,915	1,442,687
Other assets	1,060,015	681,851	-	-	-	-	1,060,015	681,851
TOTAL ASSETS	69,922,089	29,722,536	10,389,542	-	555,290	218,428	80,866,921	29,940,964
LIABILITIES								
Contributions or payments received in advance	1,403,337	1,011,966	1,056	-	-	-	1,404,393	1,011,966
Borrowings payable within one year	-	50,000	-	-	-	-	-	50,000
Unliquidated obligations	14,504,531	11,830,675	-	-	-	61,988	14,504,531	11,892,663
Accounts payable								
Inter-fund balances	1,621,743	85,526	-	-	97,426	42,467	1,719,169	127,993
Inter-entidy balances	284,537	935,680	-	-	-	-	284,537	935,680
Other	1,352,081	1,156,511	-	-	-	161	1,352,081	1,156,672
Other liabilities	-	-	-	-	-	-	-	-
Borrowings payable after one year	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	19,166,229	15,070,358	1,056	-	97,426	104,616	19,264,711	15,174,974
RESERVES AND FUND BALANCES								
Fund balances	50,755,860	14,652,178	10,388,486	-	457,864	113,812	61,602,210	14,765,990
TOTAL RESERVES AND FUND BALANCES	50,755,860	14,652,178	10,388,486	-	457,864	113,812	61,602,210	14,765,990
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	69,922,089	29,722,536	10,389,542	-	555,290	218,428	80,866,921	29,940,964

Annex 13, Appendix 3
STATEMENT OF CASH FLOW
for the period ending 31 December 1997
(expressed in Netherlands guilders)

	<u>31.12.1997</u>	<u>31.5.1997</u>
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure	36,103,682	6,971,163
(Increase) decrease in contributions receivable	618,399	5,986,018
(Increase) decrease in other accounts receivable	(890,611)	(898,705)
(Increase) decrease in other assets	(378,164)	339,707
Increase (decrease) in contributions or payments received in advance	391,371	(29,883,524)
Increase (decrease) in other accounts payable	195,570	925,436
Increase (decrease) in unliquidated obligations	2,673,856	8,673,362
Increase (decrease) in other liabilities	-	-
Less: Interest income	(819,086)	(321,070)
Plus: Interest expense	-	-
Net Cash from operating activities	<u><u>37,895,017</u></u>	<u><u>(8,207,613)</u></u>
Cash flows from investing and financing activities		
(Increase) decrease in investments	-	-
(Increase) decrease in inter-fund balances receivable	(138,620)	553,552
(Increase) decrease in inter-entity balances receivable	995,030	(954,622)
Increase (decrease) in inter-fund balances payable	1,536,217	(444,635)
(Increase) decrease in inter-entity balances payable	(651,143)	895,272
Increase (decrease) in borrowings	(50,000)	-
Plus: Interest income	819,086	321,070
Less: Interest expense	-	-
Net cash from investing and financing activities	<u><u>2,510,570</u></u>	<u><u>(370,637)</u></u>
Cash flows from other sources		
Savings on or cancellation of prior periods' obligations	-	19,336
Transfers (to)/from reserves	-	-
Transfers (to)/from other funds	-	-
Credits to Member States	-	(4,056,201)
Other adjustments to reserves and fund balances	-	-
Net cash from other sources	<u><u>-</u></u>	<u><u>(4,036,865)</u></u>
Net increase (decrease) in cash and term deposits	<u><u>40,405,587</u></u>	<u><u>(11,873,841)</u></u>
Cash and term deposits, beginning of period	<u><u>8,726,241</u></u>	<u><u>20,600,082</u></u>
Cash and term deposits, end of period	<u><u>49,131,828</u></u>	<u><u>8,726,241</u></u>

Annex 13, Appendix 4
STATEMENT OF APPROPRIATIONS
for the period ending 31 December 1997
(expressed in Netherlands guilders)

Appropriation Section	Appropriations			Expenditure			Balance of Appropriations
	Original	Transfers	Revised	Disbursements	Unliquidated Obligations	Total	
Programme A.1 Executive Management	13,791,900	-	13,791,900	8,635,434	1,201,883	9,837,317	3,954,583
Programme A.2 Administration	6,773,800	94,000	6,867,800	4,714,739	822,424	5,537,163	1,330,637
Programme A.3 External Relations	1,814,900	-	1,814,900	1,318,017	148,338	1,466,355	348,545
Programme A.4 International Cooperation and Assistance	2,354,300	(94,000)	2,260,300	822,904	491,702	1,314,606	945,694
Programme A.5 Common Services not Distributed to Programmes	7,333,600	-	7,333,600	2,807,539	2,613,531	5,421,070	1,912,530
Administration and Other Costs	32,068,500	-	32,068,500	18,298,633	5,277,878	23,576,511	8,491,989
Programme V.1 Verification	15,740,300	-	15,740,300	5,564,402	2,185,465	7,749,867	7,990,433
Programme V.2 Verification - Inspection Personnel Management and Field Operations	41,065,000	-	41,065,000	17,424,727	3,951,719	21,376,446	19,688,554
Total Verification Costs	56,805,300	-	56,805,300	22,989,129	6,137,184	29,126,313	27,678,987
TOTAL	88,873,800	-	88,873,800	41,287,762	11,415,062	52,702,824	36,170,976

Annex 13, Appendix 5
STATEMENT OF INCOME AND EXPENDITURE AND CHANGES IN RESERVES AND FUND BALANCES
Trust Funds for the period ending 31 December 1997
(expressed in Netherlands guilders)

	Regional Seminars		Courses for Personnel of National Authorities		Verify Database		Media Requirements First Conf. States Parties		Voluntary Fund for Assistance		TOTAL	
	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97
INCOME												
Assessed contributions	-	-	-	-	-	-	-	-	-	-	-	-
Voluntary contributions	-	-	5,348	13,308	-	-	186,976	-	291,627	-	483,951	13,308
Other/Miscellaneous income												
Allocations from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Assessed contributions - new Member States	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	133	115	2,372	1,954	219	745	1,791	-	1,397	-	5,912	2,814
Currency exchange adjustments	83	469	719	4,036	-	8,325	-	-	-	-	802	12,830
Other/Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	216	584	8,439	19,298	219	9,070	188,767	-	293,024	-	490,665	28,952
EXPENDITURE	-	24	12,758	55,500	36,536	32,135	159,242	-	65	-	208,601	87,659
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	216	560	(4,319)	(36,202)	(36,317)	(23,065)	29,525	-	292,959	-	282,064	(58,707)
Prior period adjustments	-	-	-	-	-	-	-	-	-	-	-	-
NET EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	216	560	(4,319)	(36,202)	(36,317)	(23,065)	29,525	-	292,959	-	282,064	(58,707)
Savings on prior periods' obligations	-	-	61,988	-	-	-	-	-	-	-	61,988	-
Transfers to/from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Credits to Member States	-	-	-	-	-	-	-	-	-	-	-	-
Reserves and fund balances, beginning of period	8,045	7,485	68,650	104,852	37,117	60,182	-	-	-	-	113,812	172,519
RESERVES AND FUND BALANCES, END OF PERIOD	8,261	8,045	126,319	68,650	800	37,117	29,525	-	292,959	-	457,864	113,812

Annex 13, Appendix 6
STATEMENT OF ASSETS, LIABILITIES AND RESERVES AND FUND BALANCES
Trust Funds as at 31 December 1997

	(expressed in Netherlands guilders)											
	Regional Seminars		Courses for Personnel of National Authorities		Verify Database		Media Requirements First Conf. States Parties		Voluntary Fund for Assistance		TOTAL	
	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97	31-Dec-97	31-May-97
ASSETS												
Cash and term deposits	8,220	7,982	130,856	167,808	803	36,545	89,123	-	272,173	-	501,175	212,335
Accounts receivable												
Assessed contributions receivable from Member States	-	-	-	-	-	-	-	-	-	-	-	-
Voluntary contributions receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inter-fund balances	13	13	-	84	2	422	-	-	19,909	-	19,924	519
Inter-entity balances	-	-	-	-	-	-	-	-	-	-	-	-
Other	28	50	4,927	5,280	5	244	28,354	-	877	-	34,191	5,574
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	8,261	8,045	135,783	173,172	810	37,211	117,477	-	292,959	-	555,290	218,428
LIABILITIES												
Contributions or payments received in advance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings payable within one year	-	-	-	-	-	-	-	-	-	-	-	-
Unliquidated obligations	-	-	-	61,988	-	-	-	-	-	-	-	61,988
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Inter-fund balances	-	-	9,464	42,373	10	94	87,952	-	-	-	97,426	42,467
Other	-	-	-	161	-	-	-	-	-	-	-	161
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings payable after one year	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	9,464	104,522	10	94	87,952	-	-	-	97,426	104,616
RESERVES AND FUND BALANCES												
Fund Balances	8,261	8,045	126,319	68,650	800	37,117	29,525	-	292,959	-	457,864	113,812
TOTAL RESERVES AND FUND BALANCES	8,261	8,045	126,319	68,650	800	37,117	29,525	-	292,959	-	457,864	113,812
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	8,261	8,045	135,783	173,172	810	37,211	17,477	-	292,959	-	555,290	218,428

Annex 13, Appendix 7
STATUS OF INVESTMENTS AS OF 31 DECEMBER 1997

Bank	Location	Principal Amount NLG	Placement Dates	Maturity Date	Days invested	Interest Rate %	Interest NLG	Principal with Interest NLG
General Fund								
Rabo Bank	The Hague	5,000,000.00	02-Oct-97	31-Dec-97	91	3.37%	42,593.06	5,042,593.06
Sakura Bank	London	2,407,473.48	15-Dec-97	31-Dec-97	17	6.47%	7,354.08	2,414,827.56
ING Bank	The Hague	6,000,000.00	02-Oct-97	31-Dec-97	91	3.38%	51,263.33	6,051,263.33
San Paolo Bank	Amsterdam	3,000,000.00	24-Nov-97	31-Dec-97	38	3.62%	11,463.33	3,011,463.33
Skandinaviska	London	2,524,928.51	24-Nov-97	31-Dec-97	38	3.65%	9,727.99	2,534,656.50
ABN AMRO	The Hague	5,000,000.00	02-Oct-97	31-Dec-97	91	3.38%	42,719.44	5,042,719.44
Rabo Bank	The Hague	1,524,691.64	07-Oct-97	31-Dec-97	86	3.43%	12,493.15	1,537,184.79
Banque Paribas	Paris	6,000,000.00	03-Oct-97	31-Dec-97	90	3.41%	51,150.00	6,051,150.00
ABN AMRO	The Hague	2,011,332.22	10-Nov-97	31-Dec-97	52	3.66%	10,633.24	2,021,965.46
Rabo Bank	The Hague	2,011,366.67	11-Nov-97	31-Dec-97	51	3.68%	10,485.92	2,021,852.59
ING Bank	The Hague	2,000,000.00	09-Dec-97	31-Dec-97	23	3.65%	4,663.89	2,004,663.89
Skandinaviska	London	4,022,733.33	05-Nov-97	31-Dec-97	57	3.60%	22,929.58	4,045,662.91
ABN AMRO	The Hague	1,600,000.00	31-Dec-97	31-Dec-97	1	3.50%	155.56	1,600,155.56
San Paolo Bank	Amsterdam	2,000,000.00	03-Dec-97	31-Dec-97	29	3.70%	5,961.11	2,005,961.11
Rabo Bank	The Hague	1,512,562.50	23-Dec-97	31-Dec-97	9	3.64%	1,376.43	1,513,938.93
Sub-total		46,615,088.35					284,970.12	46,900,058.48

STATUS OF INVESTMENTS AS OF 31 DECEMBER 1997

Bank	Location	Principal Amount NLG	Placement Dates	Maturity Date	Days Invested	Interest Rate %	Interest NLG	Principal with Interest NLG
Working Capital OPCW								
ING Bank	The Hague	2,825,429.94	15-Dec-97	31-Dec-97	17	3.58%	4,776.55	2,830,206.49
San Paolo	Amsterdam	1,981,000.00	19-Dec-97	31-Dec-97	13	3.58%	2,560.99	1,983,560.99
ABN AMRO	The Hague	1,013,765.68	01-Dec-97	31-Dec-97	31	3.70%	3,229.97	1,016,995.65
San Paolo	Amsterdam	707,758.71	01-Dec-97	31-Dec-97	31	3.68%	2,242.81	710,001.52
Rabo Bank	The Hague	504,187.50	23-Dec-97	31-Dec-97	9	3.64%	458.81	504,646.31
Sub-total		7,032,141.83					13,269.13	7,045,410.96
Capital Advance Commission								
Rabo Bank	The Hague	996,754.01	21-Oct-97	31-Dec-97	72	3.57%	7,116.82	1,003,870.83
Sub-total		996,754.01					7,116.82	1,003,870.83
Special Account for the Procurement of Inspection equipment								
ABN AMRO	The Hague	403,568.78	15-Dec-97	31-Dec-97	17	3.60%	686.07	404,254.85
Sub-total		403,568.78					686.07	404,254.85
Grand total		55,047,552.97					306,042.14	55,353,595.12

Annex 13, Appendix 8
STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
		1993	1994-1997	1994-1997	Sub Total		1997				Total	
MEMBER STATES	Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Outstanding	Overpayments	Assessments	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
	in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
1 Afghanistan	887	1,765	12,898	-	14,663	-					14,663	-
2 Albania	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	23,540	-
3 Algeria	-	-	-	-	-	-	155,692	155,692	-	-	-	-
4 Argentina	-	-	-	-	-	-	467,077	-	467,077	-	467,077	-
5 Armenia	8,327	16,571	102,839	-	119,410	-	48,654	-	48,654	-	168,064	-
6 Australia	-	-	-	-	-	-	1,440,154	1,440,204	-	(50)	-	(50)
7 Austria	-	-	-	-	-	-	846,577	846,577	-	-	-	-
8 Azerbaijan	19,525	38,855	197,305	-	236,160	-					236,160	-
9 Bahamas	-	-	-	(14,989)	-	(14,989)					-	(14,989)
10 Bahrain	-	-	-	-	-	-	19,462	20,729	-	(1,267)	-	(1,267)
11 Bangladesh	-	-	-	-	-	-	8,877	-	8,877	-	8,877	-
12 Belarus	-	-	149,608	-	149,608	-	272,462	-	272,462	-	422,070	-
13 Belgium	-	-	-	-	-	-	982,808	982,808	-	-	-	-
14 Benin	-	-	6,231	-	6,231	-			-	-	6,231	-
15 Bolivia	887	1,765	12,898	-	14,663	-			-	-	14,663	-
16 Bosnia-Herzegovina		-	2,485	-	2,485	-	8,877	-	8,877	-	11,362	-
17 Brazil	-	-	52,802	-	52,802	-	1,576,384	-	1,576,384	-	1,629,186	-
18 Brunei Darussalam	-	-	-	-	-	-				-	-	-
19 Bulgaria	-	-	-	-	-	-	77,846	77,846	-	-	-	-
20 Burkina Faso	887	1,765	12,898	-	14,663	-			-	-	14,663	-
21 Burundi	887	1,765	12,898	-	14,663	-			-	-	14,663	-
22 Cambodia	887	1,765	12,898	-	14,663	-			-	-	14,663	-
23 Cameroon	-	-	-	-	-	-	8,877	8,506	371	-	371	-
24 Canada	-	-	-	-	-	-	3,026,269	3,107,618	-	(81,349)	-	(81,349)
25 Cape Verde	-	-	8,967	-	8,967	-					8,967	-
26 Central African Republic	887	1,765	12,898	-	14,663	-					14,663	-
27 Chad		-	9,885	-	9,885	-					9,885	-
28 Chile	-	-	-	-	-	-	77,846	62,990	14,856	-	14,856	-
29 China	-	-	-	-	-	-	720,077	720,077	-	-	-	-
30 Colombia	-	-	11,142	-	11,142	-					11,142	-
31 Comoros	887	1,765	12,898	-	14,663	-					14,663	-
32 Congo	887	1,765	12,898	-	14,663	-					14,663	-
33 Cook Islands	-	-	7,053	-	7,053	-	8,877	-	8,877	-	15,930	-
34 Costa Rica	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	23,540	-
35 Cote d'Ivoire	-	-	15,356	-	15,356	-	8,877	-	8,877	-	24,233	-
36 Croatia	11,538	22,961	132,549	-	155,510	-	87,577	-	87,577	-	243,087	-
37 Cuba	-	-	-	-	-	-					-	-

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
		1993	1994-1997	1994-1997	Sub Total		1997				Total	
MEMBER STATES		Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Overpayment s	Assessment s	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
		in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
38	Cyprus	-	-	-	(845)	-	(845)	-	-	-	-	(845)
39	Czech Republic	-	-	-	-	-	243,269	243,269	-	-	-	-
40	Dem. Rep. of the Congo	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
41	Denmark	-	-	-	-	-	700,615	700,615	-	-	-	-
42	Djibouti	147	293	12,898	-	13,191	-	-	-	-	13,191	-
43	Dominica	-	-	11,029	-	11,029	-	-	-	-	11,029	-
44	Dominican Republic	1,775	3,532	16,342	-	19,874	-	-	-	-	19,874	-
45	Ecuador	-	-	11,330	-	11,330	-	19,462	-	19,462	-	-
46	El Salvador	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	-
47	Equatorial Guinea	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	-
48	Estonia	-	-	-	-	-	-	-	-	-	-	-
49	Ethiopia	-	-	-	-	-	8,877	6,500	2,377	-	2,377	-
50	Fiji	-	-	-	-	-	8,877	7,746	1,131	-	1,131	-
51	Finland	-	-	-	-	-	603,308	603,308	-	-	-	-
52	France	-	-	-	-	-	6,247,153	6,247,153	-	-	-	-
53	Gabon	1,775	3,532	16,342	-	19,874	-	-	-	-	19,874	-
54	Gambia	-	-	109	-	109	-	-	-	-	109	-
55	Georgia	18,638	37,090	193,861	-	230,951	-	107,038	-	107,038	-	-
56	Germany	-	-	-	-	-	8,816,076	8,816,076	-	-	-	-
57	Ghana	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
58	Greece	-	-	-	-	-	369,769	123,718	246,051	-	246,051	-
59	Grenada	-	-	184	-	184	-	-	-	-	184	-
60	Guatemala	1,775	3,532	25,796	-	29,328	-	-	-	-	29,328	-
61	Guinea	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
62	Guinea-Bissau	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
63	Guyana	147	293	12,898	-	13,191	-	-	-	-	13,191	-
64	Haiti	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
65	Holy See	-	-	-	-	-	-	-	-	-	-	-
66	Honduras	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
67	Hungary	-	-	-	-	-	136,231	136,231	-	-	-	-
68	Iceland	-	-	-	-	-	29,192	29,192	-	-	-	-
69	India	-	-	-	-	-	301,654	301,654	-	-	-	-
70	Indonesia	-	-	35,373	-	35,373	-	-	-	-	35,373	-
71	Iran (Islamic Republic of)	-	-	530,852	-	530,852	-	-	-	-	530,852	-
72	Ireland	-	-	-	-	-	204,346	220,827	-	(16,481)	-	(16,481)

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
		1993	1994-1997	1994-1997	Sub Total		1997				Total	
MEMBER STATES		Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Overpayment s	Assessment s	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
		in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
73	Israel	-	-	98,719	-	98,719	-	-	-	-	98,719	-
74	Italy	-	-	-	-	-	5,108,653	5,108,653	-	-	-	-
75	Jamaica	-	-	79	-	79	-	-	-	-	79	-
76	Japan	-	-	-	-	-	15,228,653	6,768,592	8,460,061	-	8,460,061	-
77	Kazakhstan	31,063	61,815	324,453	-	386,268	-	-	-	-	386,268	-
78	Kenya	-	-	-	-	-	8,877	9,631	-	(754)	-	(754)
79	Kuwait	-	-	-	-	-	-	-	-	-	-	-
80	Kyrgyzstan	5,322	10,591	212,548	-	223,139	-	-	-	-	223,139	-
81	Lao People's Democratic Republic	-	-	6,904	-	6,904	8,877	-	8,877	-	15,781	-
82	Latvia	-	-	-	-	-	77,846	77,846	-	-	-	-
83	Lesotho	-	-	8,246	-	8,246	8,877	-	8,877	-	17,123	-
84	Liberia	-	-	12,505	-	12,505	-	-	-	-	12,505	-
85	Liechtenstein	-	-	-	(4,997)	-	-	-	-	-	-	(4,997)
86	Lithuania	-	-	-	-	-	-	-	-	-	-	-
87	Luxembourg	-	-	-	-	-	68,115	68,115	-	-	-	-
88	Madagascar	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
89	Malawi	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
90	Malaysia	-	-	-	-	-	-	-	-	-	-	-
91	Maldives	-	-	-	-	-	8,877	-	8,877	-	8,877	-
92	Mali	887	1,765	12,898	-	14,663	8,877	-	8,877	-	23,540	-
93	Malta	-	-	-	-	-	8,877	9,731	-	(854)	-	(854)
94	Marshall Islands	-	-	162	-	162	-	-	-	-	162	-
95	Mauritania	887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
96	Mauritius	-	-	-	-	-	8,877	9,731	-	(854)	-	(854)
97	Mexico	-	-	-	-	-	768,731	757,923	10,808	-	10,808	-
98	Micronesia (Fed. States of)	-	-	-	(192)	-	-	-	-	-	-	(192)
99	Monaco	-	-	-	-	-	8,877	11,042	-	(2,165)	-	(2,165)
100	Mongolia	-	-	10,338	-	10,338	8,877	-	8,877	-	19,215	-
101	Morocco	-	-	-	-	-	29,192	29,192	-	-	-	-
102	Myanmar	-	-	-	(422)	-	-	-	-	-	-	(422)
103	Namibia	-	-	889	-	889	8,877	-	8,877	-	9,766	-
104	Nauru	-	-	9,481	-	9,481	-	-	-	-	9,481	-
105	Nepal	-	-	12,898	-	12,898	-	-	-	-	12,898	-
106	Netherlands	-	-	-	-	-	1,547,192	1,547,192	-	-	-	-

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
1993		1994-1997	1994-1997	Sub Total			1997				Total	
MEMBER STATES	Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Outstanding	Overpayments	Assessments	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
	in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
107 New Zealand	-	-	-	-	-	-	233,538	233,538	-	-	-	-
108 Nicaragua	887	1,765	12,898	-	14,663	-	-	-	-	-	14,663	-
109 Niger	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	23,540	-
110 Nigeria	-	-	96,907	-	96,907	-	-	-	-	-	96,907	-
111 Norway	-	-	-	-	-	-	544,923	544,923	-	-	-	-
112 Oman	-	-	-	-	-	-	38,923	38,923	-	-	-	-
113 Pakistan	-	-	-	(13,350)	-	(13,350)	-	-	-	-	-	(13,350)
114 Panama	737	1,467	-	(3,858)	1,467	(3,858)	-	-	-	-	1,467	(3,858)
115 Papua New Guinea	-	-	-	-	-	-	8,877	-	8,877	-	8,877	-
116 Paraguay	-	-	-	-	-	-	8,877	-	8,877	-	8,877	-
117 Peru	-	-	24,336	-	24,336	-	58,385	-	58,385	-	82,721	-
118 Philippines	-	-	-	-	-	-	58,385	58,385	-	-	-	-
119 Poland	-	-	-	-	-	-	321,115	321,115	-	-	-	-
120 Portugal	-	-	-	-	-	-	272,462	272,462	-	-	-	-
121 Qatar	-	-	9,948	-	9,948	-	-	-	-	-	9,948	-
122 Republic of Korea	-	-	-	-	-	-	797,923	797,923	-	-	-	-
123 Republic of Moldova	13,313	26,493	138,091	-	164,584	-	77,846	-	77,846	-	242,430	-
124 Romania	-	-	-	-	-	-	145,962	145,962	-	-	-	-
125 Russian Federation	-	-	269,045	-	269,045	-	-	-	-	-	269,045	-
126 Rwanda	442	880	12,898	-	13,778	-	-	-	-	-	13,778	-
127 Saint Kitts and Nevis	-	-	6,752	-	6,752	-	-	-	-	-	6,752	-
128 Saint Lucia	-	-	-	-	-	-	8,877	10,687	-	(1,810)	-	(1,810)
129 Saint Vincent and the Grenadines	147	293	12,898	-	13,191	-	-	-	-	-	13,191	-
130 Samoa	887	1,765	12,898	-	14,663	-	-	-	-	-	14,663	-
131 San Marino	-	-	-	(1,311)	-	(1,311)	-	-	-	-	-	(1,311)
132 Saudi Arabia	-	-	-	-	-	-	690,885	389,016	301,869	-	301,869	-
133 Senegal	-	-	8,028	-	8,028	-	-	-	-	-	8,028	-
134 Seychelles	887	1,765	12,898	-	14,663	-	8,877	-	8,877	-	23,540	-
135 Sierra Leone	887	1,765	12,898	-	14,663	-	-	-	-	-	14,663	-
136 Singapore	-	-	-	-	-	-	-	-	-	-	-	-
137 Slovak Republic	-	-	-	(5,505)	-	(5,505)	77,846	77,846	-	-	-	(5,505)
138 Slovenia	-	-	-	-	-	-	-	-	-	-	-	-
139 South Africa	-	-	-	-	-	-	311,385	556,924	-	(245,539)	-	(245,539)
140 Spain	-	-	-	-	-	-	2,315,923	2,315,923	-	-	-	-

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
		1993	1994-1997	1994-1997	Sub Total		1997				Total	
MEMBER STATES		Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Overpayments	Assessments	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
		in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
141 Sri Lanka		-	-	-	-	-	8,877	-	8,877	-	8,877	-
142 Suriname		-	-	-	-	-	8,877	-	8,877	-	8,877	-
143 Swaziland		-	-	-	-	-	8,877	9,338	-	(461)	-	(461)
144 Sweden		-	-	-	-	-	1,196,885	1,196,885	-	-	-	-
145 Switzerland		-	-	-	-	-	1,177,423	1,177,423	-	-	-	-
146 Tajikistan		4,437	8,830	38,818	-	47,648	19,462	-	19,462	-	67,110	-
147 Thailand		-	-	-	-	-	-	-	-	-	-	-
148 Togo		887	1,765	12,898	-	14,663	8,877	-	8,877	-	23,540	-
149 Tunisia		-	-	37,102	-	37,102	29,192	-	29,192	-	66,294	-
150 Turkey		-	-	-	-	-	-	-	-	-	-	-
151 Turkmenistan		884	1,759	53,080	-	54,839	29,192	-	29,192	-	84,031	-
152 Uganda		887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
153 Ukraine		-	-	400,525	-	400,525	-	-	-	-	400,525	-
154 United Arab Emirates		9,765	19,432	128,503	-	147,935	-	-	-	-	147,935	-
155 United Kingdom of Great Britain and Northern Ireland		-	-	-	-	-	5,176,769	5,388,785	-	(212,016)	-	(212,016)
156 United Republic of Tanzania		-	-	12,036	-	12,036	-	-	-	-	12,036	-
157 United States of America		-	-	-	-	-	22,193,450	22,193,450	-	-	-	-
158 Uruguay		3,550	7,065	51,592	-	58,657	38,923	-	38,923	-	97,580	-
159 Uzbekistan		-	-	-	-	-	126,500	135,681	-	(9,182)	-	(9,182)
160 Venezuela		-	-	-	(30,491)	(30,491)	-	-	-	-	-	(30,491)
161 Viet Nam		887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
162 Yemen		-	-	6,356	-	6,356	-	-	-	-	6,356	-
163 Zambia		887	1,765	12,898	-	14,663	-	-	-	-	14,663	-
164 Zimbabwe		-	-	-	-	-	8,877	9,731	-	(854)	-	(854)
Sub-total:		160,804	320,000	3,967,210	(75,960)	4,287,210	86,613,864	75,131,904	12,055,595	(573,636)	16,342,805	(649,596)

STATUS OF CONTRIBUTIONS AS AT 31 DECEMBER 1997

Commission							OPCW				Commission & OPCW	
1993		1994-1997		1994-1997		Sub Total	1997				Total	
MEMBER STATES	Balance Outstanding	Balance Outstanding	Balance Outstanding	Over Payments	Outstanding	Overpayments	Assessments	Collections	Balance Outstanding	Over Payments	Balance Outstanding	Over Payments
	in USD	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG	in NLG
NEW MEMBER STATES												
1 Cuba							48,654	55,211	-	(6,557)	-	(6,557)
2 Turkey							323,548	323,548	-	-	-	-
3 Singapore							119,202	124,270	-	(5,068)	-	(5,068)
4 Kuwait							161,774	-	161,774	-	161,774	-
5 Guinea							6,658	-	6,658	-	6,658	-
6 Slovenia							51,087	-	51,087	-	51,087	-
7 The former Yugoslav Republic of Macedonia							6,658	-	6,658	-	6,658	-
8 Trinidad & Tobago							21,894	-	21,894	-	21,894	-
9 Burkina Faso							5,548	-	5,548	-	5,548	-
10 Ghana							5,548	-	5,548	-	5,548	-
11 Brunei Darussalam							12,163	12,163	-	-	-	-
12 Guyana							3,329	-	3,329	-	3,329	-
13 Qatar							14,596	-	14,596	-	14,596	-
14 Pakistan							14,596	-	14,596	-	14,596	-
15 Jordan							2,219	2,433	-	(214)	-	(214)
16 Iran (Islamic Republic of)							54,736	-	54,736	-	54,736	-
17 Russian Federation							519,380	-	519,380	-	519,380	-
18 Nepal							1,110	-	1,110	-	1,110	-
Subtotal							1,372,700	517,625	866,914	(11,839)	866,914	(11,839)
TOTAL	160,804	320,000	3,967,210	(75,960)	4,287,210	(75,960)	87,986,564	75,649,529	12,922,509	(585,475)	17,209,719	(661,435)

Annex 14

INTERNATIONAL AGREEMENTS REGISTERED WITH THE OPCW as of 31 December 1997

OPCW registration number	Subject of agreement	Parties	Date of		Publications containing the text
			Signature	Entry into force	
IAR 1	Transfer Protocol	Preparatory Commission for the OPCW OPCW	21-05-97	21-05-97	Annex to C-I/DEC.4 dated 14 May 1997
IAR 2	OPCW Headquarters Agreement	Netherlands OPCW	22-05-97	07-06-97	Annex to C-I/DEC.59 dated 14 May 1997
IAR 3	Arrangement concerning the issuance of UN Laissez-passer to members of inspection teams of the OPCW	United Nations OPCW	28-05-97 02-06-97	03-06-97	
IAR 4	TVA for CWDF / Tooele Chemical Agent Disposal Facility	USA OPCW	01-08-97	05-08-97	Annexes 1 and 4 to EC-III/DEC.1, Annex 1 to EC-III/DEC/CRP.1
IAR 5	TVA for CWDF / Johnston Atoll Chemical Agent Disposal System	USA OPCW	01-08-97	05-08-97	Annexes 2 and 4 to EC-III/DEC.1, Annex 2 to EC-III/DEC/CRP.1
IAR 6	TVA for CWDF / Chemical Agent Munitions Disposal System Activity, Deseret Army Depot, Utah	USA OPCW	01-08-97	05-08-97	Annexes 3 and 4 to EC-III/DEC.1, Annex 3 to EC-III/DEC.CRP.1
IAR 7	Bilateral Agreement concerning sequential inspections	France OPCW	12-08-97	12-08-97	
IAR 8	Exchange of Letters concerning sequential inspections	USA OPCW	22-07-97 24-07-97	24-07-97	
IAR 9	TVA for CWDF / Chemical Transfer Facility, Aberdeen Proving Ground, Maryland	USA OPCW	01-10-97	01-10-97	EC-V/DEC.2, EC-IV/DEC/CRP.3
IAR 10	TVA for CWDF / Hawthorne Army Depot, Hawthorne, Nevada and Laidlaw Environment Services Inc., Aragonite, Utah	USA OPCW	01-10-97	01-10-97	EC-V/DEC.3, EC-IV/DEC/CRP.1
IAR 11	Training agreement	Netherlands OPCW	07-11-97	07-11-97	Annex to EC-VIII/DG.4
IAR 12	Facility agreement: Schedule 1 / protective purposes	Australia OPCW	27-10-97 01-12-97	18-11-97	Annex to EC-VII/DEC.3 and Corr.1
IAR 13	Facility agreement: Schedule 1 / protective purposes	Sweden OPCW	28-11-97	28-11-97	Annex to EC-VII/DEC.2 and Corr.1
IAR 14	Training agreement	Switzerland OPCW	31-12-97	31-12-97	Annex to EC-VIII/DG.4

Technical Secretariat Structure



