



51st Session of the Advisory Body on Administrative and Financial Matters (ABAF)

Statement by the Deputy Director-General of the OPCW, Ms Odette Melono

27 July 2021

Dear Mr Chairperson,
Distinguished Members of the ABAF,

I would like to extend to all of you a very warm welcome to the Fifty-First Session of the ABAF.

Allow me to take this opportunity to thank you once again for your very important service to the OPCW and also to acknowledge the engagement of the newest ABAF member, Mr Anton Minaev.

A number of important topics are before you this week, including the 2020 Long-form Report of the External Auditor, the Draft Biennial Programme and Budget for 2022-2023, Programme Support Costs methodology, and a status report on the OPCW ChemTech Centre project.

In addition, under Any Other Business, at the request of the Secretariat, you have graciously agreed to provide your views on a proposed new format for the annual EC-mandated report on the composition of the Secretariat.

Similarly, at the request of the Chair of the EC Working Group on the process for the future selection of the External Auditor, you have consented to meet with the Working Group for an exchange of views.

2020 Long-form Report of the External Auditor

I am very pleased that the External Auditor will be able to present the UK National Audit Office's (NAO) long-form report during this meeting, after an atypical delay in preparation of the report owing to the continuing challenges of remote working due to the COVID-19 pandemic.

This report contains the final observations and advice of the NAO, after six years of exemplary service as the OPCW's External Auditor. We thank the NAO for their diligence, insights, and professionalism, not least in confronting the challenges of fulfilling their mandate so ably throughout the pandemic.

We also look forward to the engagement of the OPCW's next External Auditor, the Comptroller and Auditor General (CAG) of India, and will look forward to facilitating the first CAG presentation to ABAF, presumably at your 52nd meeting.

Draft Biennial Programme and Budget for 2022-2023

As you are aware, the Director General introduced the draft Programme and Budget for the 2022-2023 biennium on the 2nd of July.

Against the backdrop of a decade of unmitigated loss of purchasing power due to inflation in a zero nominal growth (ZNG) policy context, aging infrastructure and unrelenting operational demands, this first biennium budget of the Organisation arrives at a very important juncture.

It offers a crucial opportunity to secure the financial foundation of the OPCW to ensure that it will be able to meet its mandate for years to come.

You will receive presentations from the various programmes and have the opportunity to review the proposal in detail, prior to the planned informal consultations of States Parties in September. We look forward to receiving your comments and advice on this cornerstone of our new strategic financing framework.

Programme Support Costs

Extra-budgetary contributions constitute a significant and increasing source of funding for the Organisation.

While these additional financial resources are very important to the OPCW in meeting its mandates, the process for ensuring that associated indirect costs of such activities are appropriately covered by the Project Support Cost (PSC) fee charged to such donations is complex and sometimes challenging.

The Secretariat looks forward to updating you on our current and prospective approach to PSC utilisation, and to receiving your advice.

ChemTech Centre

I am pleased to report that construction commenced as planned in June at the ChemTech Centre and that good progress is being made with that effort.

Details of the latest developments will be provided to you via a presentation prepared by the project team.

Closing

We look forward to receiving the benefit of your reflections and advice on these and other key topics for the Organisation.

Allow me again to extend my welcome and my appreciation for the important contributions you make to the work of the OPCW.
