



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

**As delivered on 7 June 2022, The Hague**

Dear Mr Chairperson,  
Distinguished Members of the ABAF,

I would like to extend to all of you a very warm welcome to the Fifty-Second 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 Mr Ashutosh Jindal in Observer capacity, in keeping with ABAF's traditional practice, pending consideration of his nomination by the upcoming EC in July.

A number of important items are on your agenda this week, including the status to date of the OPCW's 2022 financial performance, the 2021 programme performance, an introductory meeting with the new External Audit team, and a status report on the OPCW ChemTech Centre project.

As at the end of May 2022, the overall rate of cash inflows is lagging the forecast for the year. Taking into account the trends from 2019, 2020, and 2021, it may be necessary to use the Working Capital Fund in order to maintain liquidity in 2022. The Working Capital Fund is currently at its fully funded level of EUR 8.1 million. However, the Working Capital Fund is only able to sustain operational requirements for a short period of time.

The early payment of some 2022 assessed contributions at the end of 2021 helped to alleviate serious cash pressures caused by delays in State Party payments. These early payments were important for maintaining the Organisation's liquidity. This was because the new OPCW Scale of Assessments depended upon the promulgation of the new UN scale, which was not decided by the UN General Assembly until the last week of December. This inevitably delayed issuance of OPCW invoices for assessed contributions in 2022. It is important to stress that timely receipt of assessed contributions is critical to ensure that the OPCW is able to sustain liquidity and to deliver the Organisation's Programmes.

The continuing COVID pandemic once again impacted programme performance in 2021, particularly regarding activities relying heavily on official travel or in-person meetings. This resulted in an overall lower budget implementation rate for the year than the traditional OPCW norm. Nevertheless, the Secretariat managed to maintain all business-critical functions, including meetings of the policy-making organs, while further adapting and expanding its tools for business continuity with the strong support of States Parties.

Pursuant to a recommendation of the former External Auditor, and with the kind understanding of ABAF, the Secretariat requested and obtained from CSP-26 authorisation to delay the submission of its 2021 financial statements to the External Auditor beyond the normal 31 March deadline. This was done in anticipation that closing the Organisation's books for the

first time in the new ERP system would present novel challenges to even the most experienced accounts team.

I am pleased to report that the certified OPCW 2021 financial statements were delivered to the External Auditor on 31 May, as anticipated. Following the completion of the audit, it is expected that the External Auditor will present its report to ABAF-53 in July.

The OPCW's new External Auditor, the Comptroller and Auditor General of India, will be meeting with ABAF for an introductory presentation later today.

I am also pleased to report that the construction of the ChemTech Centre continues on schedule and on budget, despite global inflationary and supply chain pressures. Details of the latest developments will be provided to you via a presentation prepared by the project team.

We look forward once again to supporting ABAF in your important deliberations, as you prepare your advice on these and other key topics for the Organisation. Once again, welcome back to The Hague – both in-person and virtually in this first-ever hybrid ABAF meeting. Thank you for the important contributions you make to the work of the OPCW.

Turning the floor back to you, Mr Chairperson, I wish you fruitful deliberations, I am confident that Chris and his team will give you all the support you need.

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