



106th Session
9 – 12 July 2024

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NOTE BY THE DIRECTOR-GENERAL

TRANSFERS OF FUNDS DURING 2023

1. Regulation 4.5 of the OPCW Financial Regulations and Rules states that the Director-General shall notify the Executive Council (the Council) of any transfers of appropriated funds between programmes within a budget chapter. In pursuance of this Financial Regulation, the Director-General in this Note informs the Council that, during the period from 1 January to 31 December 2023, none of the transfers made between programmes exceeded 10% of the original appropriation for the programme to which the transfers were made. A summary of such transfers is presented in Annex 1 to this Note.
2. Financial Regulation 4.6 states that the Director-General shall notify the Council of any transfers of appropriated funds between subprogrammes within a budget programme. None of the transfers made between subprogrammes exceeded 15% of the original appropriation for the subprogramme to which the transfers were made. A summary of such transfers is presented in Annex 2 to this Note.
3. Recalling that the Programme and Budget for 2022–2023 (C-26/DEC.11, dated 1 December 2021) was approved at the subprogramme level, the transfers listed in both annexes to this Note were processed primarily to cover budget shortfalls. The transfers in 2023 were made without detriment to approved programme activities. The transfers were necessary in order to address the impacts of the historic, unforeseeable spike in global inflation that occurred in 2023. In such an unstable inflationary environment, rapidly rising prices inevitably reduced the purchasing power of the Organisation. The higher-than-forecast costs put strong pressure on the OPCW's budget in crucial cost areas, such as utilities, rents, travel, and staff remuneration, as a result of obligatory increases mandated by the International Civil Service Commission. Extraordinary mitigation measures were necessary in 2023 in order to avoid a budget overspend, including higher levels of funding withheld as contingency on non-staff costs and the temporary retention of savings on vacant staff positions. While the Secretariat successfully mitigated the inflationary impacts in 2023, the mitigation measures undertaken would not be sustainable year on year. The 2024–2025 Biennium Programme and Budget (C-28/DEC.9, dated 29 November 2023) was formulated in recognition of this fact, with a view to keeping costs to the minimum necessary while addressing the historic inflationary pressures.



4. The Technical Secretariat will report in detail on the overall utilisation and impacts of OPCW budgetary resources as part of the 2023 programme performance review. A programme performance report for 2023 will be submitted to the Council at its 106th Session.

Annexes:

Annex 1: Transfers of Appropriated Funds between Programmes, 1 January to 31 December 2023

Annex 2: Transfers of Appropriated Funds between Subprogrammes within a Budget Programme, 1 January to 31 December 2023

Annex 1**TRANSFERS OF APPROPRIATED FUNDS BETWEEN PROGRAMMES
1 JANUARY TO 31 DECEMBER 2023**

Transferred from	Transferred to	Amount (in Euros)	Note
International Cooperation and Assistance Programme	Executive Management Programme	37,000	1
International Cooperation and Assistance Programme	Administration Programme	38,483	2
Administration Programme	Executive Management Programme	477,643	3
International Cooperation and Assistance Programme	Programme for the Support to the Policy-Making Organs	301,000	4
Administration Programme	External Relations Programme	30,000	5
Verification Programme	Inspections Programme	273,000	6

Explanation of notes:Note 1

The transfer of funds from the International Cooperation and Assistance Programme to the Executive Management Programme (EUR 37,000) was to cover staff costs and consultancy and contractual services costs.

Note 2

The transfer of funds from the International Cooperation and Assistance Programme to the Administration Programme (EUR 38,483) was to cover consultancy and contractual services costs.

Note 3

The transfer of funds from the Administration Programme to the Executive Management Programme (EUR 477,643) was to cover staff costs and consultancy and contractual services costs.

Note 4

The transfer of funds from the International Cooperation and Assistance Programme to the Programme for the Support to the Policy-Making Organs (EUR 301,000) was to cover staff costs.

Note 5

The transfer of funds from the Administration Programme to the External Relations Programme (EUR 30,000) was to cover staff costs.

Note 6

The transfer of funds from the Verification Programme to the Inspections Programme (EUR 273,000) was to cover staff costs.

Annex 2

**TRANSFERS OF APPROPRIATED FUNDS BETWEEN SUBPROGRAMMES
WITHIN A BUDGET PROGRAMME
1 JANUARY TO 31 DECEMBER 2023**

Transferred from	Transferred to	Amount (in Euros)	Note
<i>Verification Programme</i>			
OPCW Laboratory	Chemical Demilitarisation Branch	5,000	1
Declarations Branch	Industry Verification Branch	186,000	2
<i>Inspections Programme</i>			
Operations and Planning Branch	Office of the Director	24,000	3
Operations and Planning Branch	Safety and Analytical Chemistry Cell	62,000	4
Capacity-Building and Contingency-Planning Cell	Safety and Analytical Chemistry Cell	90,000	5
Demilitarisation Inspection Cell	Safety and Analytical Chemistry Cell	220,000	6
Industry Inspection Cell	Safety and Analytical Chemistry Cell	570,000	7
<i>International Cooperation and Assistance Programme</i>			
Office of the Director	Assistance and Protection Branch	43,000	8
Office of the Director	International Cooperation Branch	7,361	9
Implementation Support Branch	Assistance and Protection Branch	193,000	10
Implementation Support Branch	International Cooperation Branch	35,000	11
<i>External Relations Programme</i>			
Public Affairs Branch	Political Affairs and Protocol Branch	106,614	12
Office of the Director	Political Affairs and Protocol Branch	2,000	13
Public Affairs Branch	Office of the Director	42,000	14
<i>Executive Management Programme</i>			
Health and Safety Branch	Office of Confidentiality and Security	4,000	15
Office of Internal Oversight	Office of Confidentiality and Security	23,000	16
Office of Internal Oversight	Office of Strategy and Policy	30,000	17
Office of Strategy and Policy	Office of Confidentiality and Security	1,400	18
<i>Administration Programme</i>			
Office of the Director	Budget and Finance Branch	91,500	19
Human Resources Branch	Budget and Finance Branch	151,000	20
Information Services Branch	Budget and Finance Branch	34,000	21
<i>Programme for the Support to the Policy-Making Organs</i>			
Office of the Director	Language Services Branch	108,000	22

Explanation of notes:

Note 1

The transfer of funds within the Verification Programme from the OPCW Laboratory to the Chemical Demilitarisation Branch (EUR 5,000) was to cover general operating expenses.

Note 2

The transfer of funds within the Verification Programme from the Declarations Branch to the Industry Verification Branch (EUR 186,000) was to cover staff costs.

Note 3

The transfer of funds within the Inspections Programme from the Operations and Planning Branch to the Office of the Director (EUR 24,000) was to cover staff costs.

Note 4

The transfer of funds within the Inspections Programme from the Operations and Planning Branch to the Safety and Analytical Chemistry Cell (EUR 62,000) was to cover staff costs.

Note 5

The transfer of funds within the Inspections Programme from the Capacity-Building and Contingency-Planning Cell to the Safety and Analytical Chemistry Cell (EUR 90,000) was to cover staff costs.

Note 6

The transfer of funds within the Inspections Programme from the Demilitarisation Inspection Cell to the Safety and Analytical Chemistry Cell (EUR 220,000) was to cover staff costs.

Note 7

The transfer of funds within the Inspections Programme from the Industry Inspection Cell to the Safety and Analytical Chemistry Cell (EUR 570,000) was to cover staff costs.

Note 8

The transfer of funds within the International Cooperation and Assistance Programme from the Office of the Director to the Assistance and Protection Branch (EUR 43,000) was to cover staff costs.

Note 9

The transfer of funds within the International Cooperation and Assistance Programme from the Office of the Director to the International Cooperation Branch (EUR 7,361) was to cover consultancy and contractual services costs.

Note 10

The transfer of funds within the International Cooperation and Assistance Programme from the Implementation Support Branch to the Assistance and Protection Branch (EUR 193,000) was to cover staff costs.

Note 11

The transfer of funds within the International Cooperation and Assistance Programme from the Implementation Support Branch to the International Cooperation Branch (EUR 35,000) was to cover travel costs.

Note 12

The transfer of funds within the External Relations Programme from the Public Affairs Branch to the Political Affairs and Protocol Branch (EUR 106,614) was to cover staff costs.

Note 13

The transfer of funds within the External Relations Programme from the Office of the Director to the Political Affairs and Protocol Branch (EUR 2,000) was to cover general operating expenses.

Note 14

The transfer of funds within the External Relations Programme from the Public Affairs Branch to the Office of the Director (EUR 42,000) was to cover staff costs.

Note 15

The transfer of funds within the Executive Management Programme from the Health and Safety Branch to the Office of Confidentiality and Security (EUR 4,000) was to cover staff costs.

Note 16

The transfer of funds within the Executive Management Programme from the Office of Internal Oversight to the Office of Confidentiality and Security (EUR 23,000) was to cover staff costs.

Note 17

The transfer of funds within the Executive Management Programme from the Office of Internal Oversight to the Office of Strategy and Policy (EUR 30,000) was to cover staff costs.

Note 18

The transfer of funds within the Executive Management Programme from the Office of Strategy and Policy to the Office of Confidentiality and Security (EUR 1,400) was to cover staff costs.

Note 19

The transfer of funds within the Administration Programme from the Office of the Director to the Budget and Finance Branch (EUR 91,500) was to cover staff costs.

Note 20

The transfer of funds within the Administration Programme from the Human Resources Branch to the Budget and Finance Branch (EUR 151,000) was to cover staff costs.

Note 21

The transfer of funds within the Administration Programme from the Information Services Branch to the Budget and Finance Branch (EUR 34,000) was to cover consultancy and contractual services costs.

Note 22

The transfer of funds within the Programme for the Support to the Policy-Making Organs from the Office of the Director to the Language Services Branch (EUR 108,000) was to cover staff costs.