



Highlights of [GAO-03-5](#), a report to the Ranking Minority Member, Committee on Foreign Relations, U.S. Senate

## Why GAO Did This Study

The Organization for the Prohibition of Chemical Weapons is responsible for implementing the Chemical Weapons Convention, which bans the use of chemical weapons and requires their elimination. The United States and other member states have raised concerns that a number of management weaknesses may prevent the organization from fulfilling its mandate.

As requested, GAO assessed the accuracy of the organization's budgets and the impact of budget shortfalls on program activities. GAO also reviewed efforts to improve the organization's budget planning.

## What GAO Recommends

To improve the current budgeting practices of the organization, the Secretary of State should (1) work with the organization to develop a comprehensive plan to improve budget projections and income collection, and (2) report annually to Congress on the organization's progress in correcting its budgeting weaknesses.

The State Department generally concurred with GAO's findings. However, State disagreed with our recommendation for annual reports to Congress on the OPCW's progress. We believe, however, that such a reporting requirement is necessary to improve congressional oversight of the OPCW.

[www.gao.gov/cgi-bin/getrpt?GAO-03-5](http://www.gao.gov/cgi-bin/getrpt?GAO-03-5).

To view the full report, including the scope and methodology, click on the link above. For more information, contact Joseph Christoff at (202) 512-8979 or [christoffj@gao.gov](mailto:christoffj@gao.gov).

# CHEMICAL WEAPONS

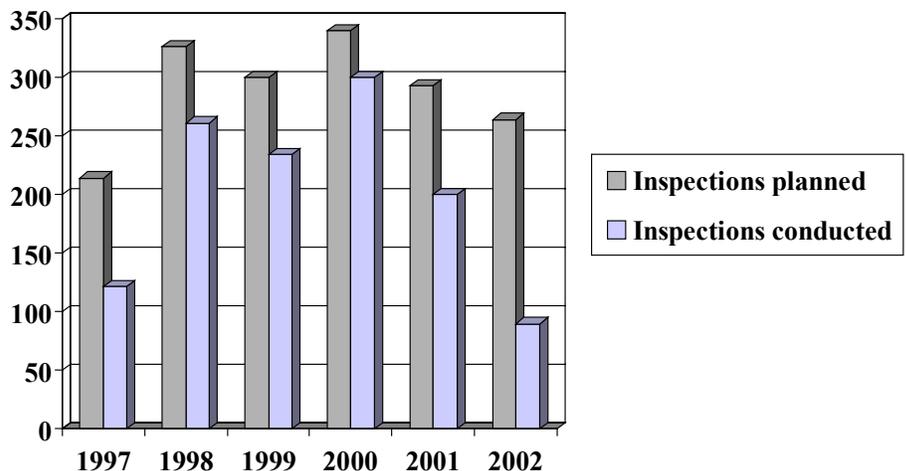
## Organization for the Prohibition of Chemical Weapons Needs Comprehensive Plan to Correct Budgeting Weaknesses

### What GAO Found

Since its establishment in 1997, the ability of the Organization for the Prohibition of Chemical Weapons (OPCW) to carry out key inspection functions has been hindered by inaccurate budget projections and, more recently, budget deficits. The organization has consistently overestimated its income and underestimated its expenses. Its budgets have recorded as income nearly \$1 million in unpaid assessments owed by 30 member states. The budgets have also overestimated reimbursement payments for inspections conducted in member states with chemical weapons-related facilities. As of June 2002, these states owed the organization more than \$2 million. Furthermore, the budgets for 2000 through 2002 underestimated personnel expenses.

The organization's inaccurate income and spending estimates contributed to a \$2.8 million deficit in 2000 and a potential deficit of \$5.2 million in 2002. Weak budgeting practices and budget deficits have affected the organization's ability to perform inspection activities as mandated by the Chemical Weapons Convention. The organization had to reduce the number of inspections it conducted in 2001 and plans to reduce the number it conducts in 2002.

### OPCW Inspections, 1997–2002



Notes: Inspections for 1997 did not begin until June. Inspections in 2002 were conducted through June. Source: GAO analysis of OPCW data.

Although the organization and the State Department have taken some steps to address the budget problems, the organization has not developed a comprehensive plan to overcome its inherent budgeting weaknesses. Unless the organization improves its planning, budget shortfalls will continue to affect its ability to conduct inspections.