

THE HENRY L. STIMSON CENTER

**Administering the
Chemical Weapons
Convention:**

Lessons from the IAEA

Thoughts of the IAEA Experts

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assistance of Celes A. Eckerman**

Occasional Paper No. 14 March 1993



Pragmatic steps toward ideal objectives



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Executive Summary

by Amy E. Smithson

Comparisons between the International Atomic Energy Agency (IAEA) and the Organization for the Prohibition of Chemical Weapons (OPCW) are probably unavoidable. In fact, many observers have taken the IAEA, which was established in 1957 to promote peaceful uses of the atom, as the model for the OPCW, which will administer the Chemical Weapons Convention (CWC) upon its entry into force. After all, the OPCW, like the IAEA, would be an agency of the United Nations (UN), with an international inspector corps that conducts inspections around the world. Thus, the temptation to fashion the OPCW in the IAEA's image is strong, despite the disparity in the size and nature of the IAEA and OPCW missions.

The IAEA became the hub of the nuclear nonproliferation regime when Article III of the 1968 nuclear Non-Proliferation Treaty required signatories to submit all of their peaceful activities to IAEA safeguards inspections. The IAEA monitors activities in nuclear power plants and research laboratories in over 140 countries where nuclear materials are used, processed, stored, or contained. Whereas the IAEA conducts safeguards inspections at hundreds of facilities, tens of thousands of governmental and industrial chemical facilities will be subject to inspections by the OPCW's Technical Secretariat. By 1995, when the Convention is expected to enter into force, the OPCW must be prepared to begin routine data monitoring and inspection operations worldwide.

The Henry L. Stimson Center decided to convene a group of IAEA experts with the intent of distilling lessons from the IAEA's administrative experience that could be helpful in establishing the OPCW. Under the aegis of the Stimson Center's CWC implementation project, which is funded by the Carnegie Corporation of New York, eight experts met for a roundtable discussion. These experts had well over 150 year of combined experience in the field of nuclear nonproliferation, much of it working in or with the IAEA. The participants were Harold D. Bengelsdorf, William J. Dirks, David A. Kay, Myron B. Kratzer, Allan M. Labowitz, Donald A. Mahley, Joerg H. Menzel, and Charles N. Van Doren. During this discussion, they voiced their individual views, which are not necessarily representative of the organizations with which they are currently affiliated. (For more information about these individuals, please see the section of this report entitled "About the Participants", on page 29.) This roundtable discussion was held on 23 March 1993.

The group concluded that the less glamorous side of the IAEA's operations—the administrative nuts and bolts—was frequently the key to the success, or lack thereof, of the IAEA's safeguards inspection programs. To paraphrase one of experts, matters of substance cannot be addressed effectively if the administrative side of the house is not in order.

The experts concluded that the OPCW has much to lose if it blindly follows in the IAEA's footsteps. In several instances, the group advised against directly copying IAEA administrative procedures, because over time they could foster numerous problems at the OPCW. The discussion emphasized lessons learned from the IAEA experience for:

personnel policies, budgetary policies, cost-cutting measures, technical cooperation and assistance programs, recruitment and training, and leadership.

Personnel Policies

Some in the group argued that the OPCW could operate without permanent employees, but most thought that a small permanent cadre would assist with continuity and accountability. The group warned against the growth of an the international civil service bureaucratic culture in the OPCW. In particular, they cited damaging situations at the IAEA where individuals “burrowed in” to attain tenure; tenured employees are almost impossible to fire, even if their ability to do the job is limited. Tenured individuals in key positions also contaminated the IAEA’s hiring practices through preferential treatment of acquaintances or nationals from their home countries.

To avoid these problems, the group advocated use of short-term contracts (e.g., three years) and seconded personnel where possible. Some in the group emphasized the utility of a five-year maximum rotational regime and recommended that one be established. They suggested that a short-term employment policy, as opposed to a career approach, would consistently infuse the OPCW with eager, fresh employees and updated, varied skills. The short-term and seconded approach taken by the UN Special Commission was cited by several in the group as a vast improvement over the standard UN system, as well as the IAEA’s experience.

Several in the group recommended that the OPCW set up an out-placement office for its personnel to foster a system whereby national governments and industry guarantee reemployment for individuals on a tour of duty at the OPCW. Such an office would actively encourage member states to assist returning administrative personnel and inspectors in finding new jobs. The objective of this effort would be to change the mindset whereby the OPCW is pressured to keep personnel on a long-term basis simply because those slated to leave the OPCW cannot find jobs back home.

The group recommended using inspectors that would be on short-notice call to get the right mix of skills for the job in the time-constrained circumstances of a challenge inspection. The list that countries need to pre-approve to enable challenge inspections would contain individuals that could be seconded to the OPCW for the mission, as well as inspectors from the OPCW’s semi-permanent cadre.

Budgetary Policies

The OPCW should use a two-year budgetary appropriation authority and also institute requirements for five-year planning. From the outset, the OPCW should establish a regulatory system that ties program evaluation into the budgetary process. Such a process would institutionalize accountability by requiring responsible officials to show how money was spent. All officials associated with the OPCW, from the Executive Council to the program managers, should be fiscally accountable.

To discourage late payment of assessments, the OPCW should establish a fee chart whereby late payers are automatically charged a higher amount.

To alleviate cash shortfalls that may arise due to unexpected programming or late payments, the group recommended the establishment of a working capital fund, which

could only be tapped by the director general with the express approval of the Executive Council.

Cost-Cutting Measures

The group agreed that assessments for the OPCW should be paid in stated portions of Dutch Guilders and US dollars, with no exceptions, to cut down on the tendency of member states to speculate on the currency market. Furthermore, this would force member states, not the OPCW, to bear the costs of exchange and cuts down dramatically on the accounting and administrative burdens of handling multiple currencies.

In addition, the group recommended that salaries be paid in the local currency, which would similarly place the responsibilities and costs of exchanging salaries for other currencies on individual employees—not the OPCW. Since UN personnel rules require that employees have the option to request payment in their home state's currency or another designated currency, the OPCW would have to adopt different regulations in order to halt the widespread practice of currency speculation and reduce the OPCW's overhead costs.

Pointing to the likely continuation of having to use the high-cost standard menu of UN languages at major policy meetings, the group agreed that the OPCW should try to establish English as its working language in order to hold down interpretation and translation costs.

Technical Cooperation and Assistance Programs

The group agreed that, on the whole, the technical cooperation and assistance program has been very problematic for the IAEA and other UN organizations, a political distraction that drained the agency's budget. In addition to fostering wasteful and non-productive practices, increases in safeguards activities were held hostage to similar increases in technical cooperation and assistance. The Convention states that these matters are to be voluntary and the responsibility of individual states parties to the CWC. The group recommended that if at all possible, the OPCW should not get trapped into running technical assistance and cooperation programs. If the OPCW cannot avoid this area of programming, contributions in kind, not in cash, were the lesser of two evils in operating such programs.

Recruitment and Training

For purposes of recruiting qualified inspectors, the OPCW should set requirements for applicants that are appropriate for the highly technical, complex inspection missions. The need for a pool of highly-qualified inspectors is especially crucial for the OPCW, which must conduct an intensive program of baseline inspections at the outset. The ubiquity of the chemical industry throughout the world should give the OPCW a comparative advantage over the IAEA in recruiting qualified inspectors. Therefore, the OPCW's training burden should not be as great. In this case, the IAEA model is not relevant.

The training process should instill an inquisitive approach to the inspection process, a philosophy that views every inspection as an opportunity to receive information that will help the inspection team and the OPCW's analysts to obtain a thorough understanding of each facility's operations. At the same time, inspectors must be mindful of

the need for confidentiality and to be as un-intrusive as possible during inspections. The OPCW should also make the training program a haven for the most skilled and motivated inspectors. In a sense, the training program is the OPCW's first line of defense, and offense, against chemical proliferation.

Finally, given the limited resources that will be available, the OPCW should ensure that skilled personnel are placed in the data management and analytical positions that will ultimately set the priorities for the OPCW's inspection teams.

Leadership in the Preparatory Commission and OPCW

In many international organizations, participating states have a tendency to wait for another country to take the lead. Simple inertia can arrest the decision-making process. Therefore, the United States and other countries that support the CWC have nothing to lose, and much to gain, by taking the initiative in all aspects of the PrepCom decision-making process. In the IAEA, states that supported the nuclear non-proliferation regime more often took a leadership role in substantive, rather than administrative matters. This pattern should not be repeated in the PrepCom, because matters of substance cannot be handled effectively unless the administrative machinery, which in effect drives the agency's daily operations, is well conceived and functioning properly. Strong leadership in shaping the administrative framework of the OPCW is imperative.

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**Administering the Chemical Weapons Convention:
Lessons from the IAEA**

Discussion of IAEA Experts

Amy E. Smithson

The Preparatory Commission faces many crucial tasks in the months ahead in its efforts to establish the Organization for the Prohibition of Chemical Weapons (OPCW) and get the Technical Secretariat ready for the probable entry into force of the Chemical Weapons Convention early in 1995. Perhaps foremost among those tasks is the articulation of the OPCW's administrative policies and procedures. Several individuals with considerable experience at the International Atomic Energy Agency (IAEA) have gathered today to discuss what lessons might be drawn from their IAEA experiences that would assist PrepCom officials. Harold D. Bengelsdorf, William J. Dircks, David A. Kay, Myron B. Kratzer, Allan M. Labowitz, Joerg H. Menzel, and Charles N. Van Doren have generously agreed to give the OPCW the benefit of their accumulated wisdom in this regard. This group is joined by Donald A. Mahley, who heads the US delegation to the PrepCom.

Several topics are on the agenda, including fiscal planning and program evaluation, controlling overhead costs, training, and institutional outlook. To begin the discussion, I would ask the group about the advantages and the disadvantages of the United Nations (UN) personnel system, which was the model for IAEA personnel policies?

UN Personnel Policies and the OPCW

William J. Dircks

The international civil service used by the UN is based on 1947 policies that intended to allow people to move around the world, while keeping intact their grades and benefits. The idea was that its people would not be tied to their national governments, but to this concept of international civil service. Thus, the individuals could move without prejudice or "national baggage" from place to place, in effect serving the common good. They have a pension system and their allegiance is purportedly directed into the UN organization in which they are serving. However, in practice they do not cut their national ties and they do not take policy direction well if it conflicts with their national goals. This system just does not work well.

The OPCW should try to do a lot of work on short-term contracts, to move people in and out of the Organization instead of relying on a large, permanent staff. If someone does not take the initiative soon, the standard UN administrative and personnel systems will be imposed on the OPCW, which will soon find itself trapped, unable to move. To stray off the common UN system will be very difficult indeed, but it is important at the beginning to set the correct course.

Different countries approach the international civil service concept differently. When Americans are placed in these positions for a few years, they tend to take their jobs very seriously. The Japanese, however, are on a very strict rotational system. Japanese officials serve two to three years in an international organization and then, almost without exception, rotate out. All of this is predetermined by their own personnel offices

in Japan, not by the personnel office in Vienna. This approach has been troublesome for the Japanese, who have, as a result, always felt under-represented. IAEA officials have told the Japanese that if they left their people in Vienna for the full five years, the IAEA would not have to recruit twice as many Japanese. The Japanese are locked, however, into their own system.

Donald A. Mahley

One distinction that can also be made in the case of the OPCW is that the substantive part of the Organization is essentially going to be the inspection and analysis side, whereas the administrative part of the OPCW will inevitably become involved with the political side. Is it reasonable to assume that the administrative side of the OPCW will inevitably end up the province of international civil servants? Even if this becomes the case, the administrators are going to be relatively few in number, because substance is likely to dominate the OPCW deliberations. The 41-member Executive Council, composed of members of national delegations, will be sitting in the Hague to take account of the political discussion rising from the information generated by the Organization. There is no need for an international civil service staff of any enormous magnitude, outside of the translators and interpreters to take care of the meetings and conference services, and the other administrative and secretarial functions to support the Organization. Much of the administrative work will be handled by the political representatives of the member states.

The bulk of the operation will be the substantive work, where the type of personnel needed will be more open to discussion. However, in a sense, this decision has already been locked in by the treaty text. A core of permanent international civil servants will theoretically give the Organization continuity, experience, and some accountability to the confidentiality and other rules of the Organization. Individuals in these slots will have some desire to uphold the agreed standards because they are going to continue to be employed in that area.

It is open to debate whether administrative costs can be held down and the expertise level increased by being able to get people on an on-call or temporary basis that are more expert in certain areas. These experts would otherwise not be associated with the OPCW because pay levels will not be sufficient to retain them full-time. At least the OPCW could get these special experts seconded for certain inspection tasks.

The UN Special Commission (UNSCOM) offers a model for having nations volunteer experts to an international body for short periods of time on specific projects. The UNSCOM model offers a different vision of the type of distinctions in personnel categories—permanent versus short-term or seconded—that might be made on the substantive side of the OPCW house.

William J. Dircks

As noted, the Executive Council will do the political scheduling and set the agenda for the OPCW. In practice, this has not been the case for the IAEA's 35-member Board, which was too big and very cumbersome. Things were not really accomplished among the board members unless they used the so-called policy-making organs of the IAEA. The missions very soon realized that, to get things accomplished, to get things on the agenda,

they had to achieve consensus by consultation and work through the permanent policy-making organs of the institution.

The OPCW should have some international civil servants on extended contracts of no more than five years and these individuals should be rotated in and out. The OPCW should not let people stay too long in administrative positions. It simply is not necessary. The IAEA had directors of budget and finance that moved in and out in five years, and this rotational system worked well. Some individuals that occupied these positions would have liked to stay longer, but the rule was that they rotated out.

The nominal contract period consists of an initial three-year contract, which is then extended another two in most cases. The IAEA is now hovering around forty percent in terms of five-year contracts. I would advise that the OPCW follow this model. Five years is long enough. Moreover, under UN rules, if an official stays longer than six or seven years, they accrue tenure rights, which makes it next to impossible to get them off the payroll.

Donald A. Mahley

Thus far, pressure to accept the UN system has been significant at the PrepCom. Frankly, there are two competing pressures at work here. First, many countries want UN rules because they are familiar with them and understand how they work. Others do not want the UN rules simply because their own salaries and positions at the OPCW are already on much better terms than they would be under UN rules. I fear that the OPCW will end up with UN rules simply because that is the minimum that everybody will agree on. However, there is no a priori reason why UN rules must be used.

The Advisability of a Rotation Rule

David A. Kay

The IAEA model as just portrayed does not necessarily reflect reality. The IAEA's number of five-year contracts has increased. This trend spurred the 1976-1977 "Inspector's Revolt" at the IAEA. The inspectors were disturbed by the fact that the administrative side of the organization—personnel, budget, and other people—had carved out for themselves a rather nice exemption from the rules so that they did not rotate out after five years. They managed to "burrow in," as the saying goes.

On the other hand, the inspectors were on a rather strict rotational diet, but their circumstances were quite different, depending upon their country of origin. Many US inspectors came from national laboratories and they had been assured jobs upon return from their stint in Vienna. Inspectors from developing countries usually lacked such assurances; going back to their homeland was a tremendous hardship. Later, even the US national laboratories were no longer able to extend that sort of security to their inspectors. During the Inspector's Revolt, the inspectors started demanding the same rights that the headquarters bureaucrats had. Their ire was increased because the bureaucrats never got close to a dangerous facility, never worked holidays, or did any of the things routinely expected of field inspectors. The resolution of this revolt turned the situation on its head. Inspectors ended up with better contract terms than the bureaucrats, which is fine. The five-year rotation is a great idea, for technical expertise and other

areas. However, as long as the inspector corps does not have the right of return to an advantageous position the way they used to with the national laboratories, pressures will inevitably build to keep inspectors longer.

Myron B. Kratzer

The job security demands of individual inspectors aside, the organization still needs some permanence.

William J. Dircks

Certainly, a cadre of inspectors needs to be in place for continuity. In the past year or so, the IAEA rules have changed a bit to apply the rotation to inspectors too, on a very limited basis. Generally, inspectors are considered permanent. Some at the IAEA were concerned that some inspectors would transfer information to their respective governments upon return to their country. For this reason, some advocated keeping inspectors on board for longer terms.

Problems with Career Status for Inspectors

Amy E. Smithson

The IAEA apparently has two categories of inspectors; the career inspectors who stay for ten to twenty years and the five-year rotational crew. Would that type of a separation be useful for the Technical Secretariat?

William J. Dircks

No, it would not. Under the current system, IAEA inspectors are basically career people. The safeguards department had all sorts of mechanisms to ensure that they gained career status. Once they got a career appointment as inspectors, they were the moved into management-related positions. However, in theory, inspectors are supposed to stay inspectors throughout their career.

David A. Kay

These management-type positions normally would not have had career status, but the individual brought career status with him from his work as an inspector. Therefore, the headquarters staff swelled with former inspectors who had attained career status, many of whom had less favorable job prospects back home.

Joerg H. Menzel

In reality, a fifty percent deployment or even a forty percent deployment of inspectors cannot be sustained because of the difficulty of traveling around the world constantly for an indefinite amount of time. That type of tasking is a recipe for burning out inspectors. To avoid the burn-out factor, inspectors have to be on short-term assignments or they are going to have to move up, or move into planning, or on to other things.

David A. Kay

The implication of that in a small secretariat is that the burden of overhead costs goes up as a function of placing these inspectors in bureaucratic headquarters job. The planning and training mechanism for safeguards is all out of proportion to the number of inspectors being trained, simply because people have reached a stage in their career when they cannot be on the road fifty-percent of the time. Nonetheless, if they have career status, they get moved into overhead, which causes this growth curve. This phenomenon is not like the US government, which can re-deploy people over large areas. In a small secretariat, overhead costs are going to escalate to the extent that it has a permanent staff.

Reducing Overhead Costs**Amy E. Smithson**

How can the OPCW avoid escalation in overhead costs?

David A. Kay

First of all, a significant portion of the staff should not be permanent. There are some lessons to be learned from the US business sector, where there is a considerable movement away from large permanent staffs. Having a rotational staff heavily implies that leadership must constantly orient personnel to the organization's objectives, to imbue people who are only on the job for three or five years with a sense of organization and purpose. This orientation function can be played by a small cadre of permanent officers. Very large corporations are succeeding today with a system of matrix, team management. They are contracting out many services and are finding out that, over the long run, they have a more responsive organization with this approach. The actual middle-management cadres are incredibly small in many successful US corporations today. A headquarters staff of fifty people can now be found running major billion-dollar corporations. These companies invest heavily in training and the top management puts emphasis on establishing goals and orientation for the employees. However, I am not convinced that a governmental organization could ever take this approach.

William J. Dircks

I would have to agree with David that the personnel staff should be non-permanent. For these positions, use contracts or the project approach, which was the model for the IAEA's inspection mission in Iraq in the aftermath of the Persian Gulf war. Within the agency, there was initially a good deal of pressure from the safeguards department to make the Iraq expedition a permanent part of the safeguards department. Many argued against this approach in favor of keeping the mission slim. That office has three professionals, with some borrowed administrative staff. The rest was done by contract.

Joerg H. Menzel

A whole organization can be run this way, but a fundamental decision would have to be made from the very beginning to do so. There is not even a need for one permanent staff member, there is just a need for careful and correct planning of rotational assign-

ments. Beyond four years of service, inertia sets in and they want to stay. A contract period of three to four years provides enough time to get good at what they are doing without losing touch with where they come from. Permanence breathes stagnation into an organization and this should be avoided.

Myron B. Kratzer

My opinion is likely to be in the minority here. I think that a permanent cadre of good people is necessary for effectively handling substantive issues. I do not think an organization can run well with short-term staff. Euratom is an international inspection organization that operates very well with permanent staff. On average, I think permanent staff does a better job.

Joerg H. Menzel

At the US On-Site Inspection Agency, which many would also argue runs very well, all the inspectors are on a three-year rotation from the military.

Myron B. Kratzer

Yes, but they are permanent in terms of being members of a broader organization. These military officers have an enormous base to return to, whereas rotational inspectors in these international organizations do not have that advantage.

Rotational Versus Permanent Personnel

Harold D. Bengelsdorf

Is it necessary at the outset to define who is permanent and who is rotational? Distinctions like this may not be able to be made at the outset in an organization like this. Perhaps the OPCW could start out with people having the equivalence of contractual terms with discriminance for permanence later on. I would anticipate pressures favoring articulation of rotational appointments, simply because everybody wants to get a shot at these positions.

One basis for the division of permanent versus rotational positions could be functional. In other words, some types of jobs and responsibilities might be staffed with a greater degree of permanency, while others might be staffed on a primarily rotational basis.

Donald A. Mahley

With regard to the OPCW, the first assumption is that there will be a variable-sized staff. Many are anticipating that more, longer, and more complicated inspections will be conducted at the beginning during the baseline inspections. Thereafter, inspections will be conducted on a random basis and the number and frequency of inspections is likely to decrease.

The concept being proposed is to establish a cadre of permanent positions, such as senior inspectors or team chiefs, who will be responsible for organization. A pool of qualified inspectors would be hired on contract at the outset to do the initial rounds of inspections and the OPCW would select inspectors from this pool for more permanent

senior positions. At that time, further determinations would be made about whether there is a need for supplemental positions on a rotating or non-permanent contractual basis to flesh out the size of staff for other inspection activities.

William J. Dircks

Perhaps five years is too short a term for some of these inspection positions. The OPCW should have some cadre positions that would add some continuity to its missions. Perhaps the best option would be to have three-year contracts that are renewable. The problem under the UN system is that if these contracts are renewed several times, the OPCW will step over a line that requires that repeat hires be offered career tenure. The flexibility to cancel or renew the contracts as needed could be lost under those circumstances.

This factor caused major problems in the IAEA contract review meetings that I participated in for five years. For example, the review candidate might be a very good forty-year old person. That individual has done an excellent job, but the question arises as to whether the IAEA, or in this case the OPCW, wants to keep that person for another twenty years. What has to be considered under these UN contract rules is that either a decision is made to let that individual go or the OPCW will be stuck with that person for twenty more years. The UN is very strict on this issue.

At the IAEA, these matters were taken into international labor tribunals. In this forum, there is a presumption that management is guilty, and consequently management does not win cases. For that reason, I would advocate working around these UN rules and setting up another career system that is based on the framework of the UN system but moves away from these onerous provisions. Someone performing well at forty could very easily fall by the way-side at fifty, but under UN rules this person would still be around ten years later.

David A. Kay

One of the problems with the use of a high ratio of contract staff is the formation of individual mafias. In the IAEA, there was a need to closely watch the hiring practices of the permanent staff, which, without the oversight of higher management, would really skew the whole process over time by hiring a disproportionate share of individuals from their home country or based on personal connections, rather than technical qualifications. This patronage system is less effected by personnel rules as much as personnel leadership. If this model is followed, it really imposes a tremendous burden on the top of the OPCW to ensure that these sorts of informal arrangements do not develop.

William J. Dircks

It is important to keep in mind that the member states like permanent staffs, which ties into the emphasis on geographic distribution. Short-term contract work does not promote patronage. The problems David cited notwithstanding, in hiring short-term workers, the focus must be on qualifications. Contracts can be written to pin-point the right skills. Permanent staff hiring is muddled heavily by the patronage issue.

Joerg H. Menzel

I have yet to hear a single reason why it would be to the advantage of the OPCW to have permanent staff. I have seen talented people dedicate themselves to three, four, maybe five years of really hard inspection and support jobs and then they go on to something else. With the permanent staff route, all the negatives come out. Entrenched people with job security makes for an entrenched organization, and the mission of the OPCW would cease to be served.

Myron B. Kratzer

Ironically, Joerg, you are a good example of how permanence can be a good thing. A recognized authority, you were not a permanent IAEA staffer but you are permanent at the US On-Site Inspection Agency (OSIA). OSIA has to develop a whole new set of monitoring practices and procedures and this cannot be done with people who come on board for three to five years and then leave.

Joerg H. Menzel

Both UNSCOM and OSIA have tapped a well of talent on a limited term basis, and it has enabled them to develop inspection systems. I would argue that there is a great deal of talent that can come in on a short term basis, get trained in the specifics, and go do a mission for three or four years before going on to other work.

Harold D. Bengelsdorf

This whole debate is probably academic. The probable scenario for the OPCW is that, at the beginning, people will have defined terms of contracts. Some people will have ideas of where there may be greater permanency, but because the Organization will work in a multilateral framework, it will be clobbered with the UN rules unless a distinction can really be articulated in specific cases.

The sheer politics of the situation will make it difficult for those advocating less permanent positions to prevail. At the beginning stages, no one will know who is going to be permanent and who is not. Some people will articulate a case for some permanency because of the alluring concept of the detached, selfless international civil servants working the common wheel. I doubt that it will get beyond that, and I suspect it is non-negotiable to go into a forum like the PrepCom and argue against permanency.

William J. Dircks

I tend to agree; if stronger objectives are not established in the beginning, the OPCW will be inundated with the baggage of the UN. Despite its faults, the IAEA held on in many areas to this rotation policy and is about the only UN agency that does so.

The OPCW presents an opportunity to improve on the IAEA model and the foothold against the UN system that has been created there. This approach requires some flexibility in the personnel rules, some recognition that operational principles will be different.

Otherwise, in meeting after meeting at the OPCW, the patronage experts will demand that more people from country X get on the staff permanently. One governor,

who was on the IAEA board for two years and showed up very infrequently demanded one day that the IAEA hire his cousin. He argued that his cousin had eight children, lived in Vienna, and was going to be deported unless he had a job. When this governor was asked what type of job his cousin was qualified for, he said that the nature of the work was not important. What was important to the governor and his cousin was that he had a job, any job. This story illustrates sharply how strongly certain countries perceive international agencies as a source of employment, not necessarily as a place of service for the common good.

Donald A. Mahley

As a tactical matter, there is really no way to set up a system that totally avoids permanency. However, there is a possibility to try to minimize permanency, recognizing that the number of permanent staff in the case of a new agency can only increase. Perhaps the value of creating, outside UN rules, a category called “permanent non-career” should be considered. This would give the OPCW the ability to hire people with limited-term contracts and continue to rehire them as long as needed, with no permanence beyond the current contract.

William J. Dircks

This capability actually exists in the IAEA. Individuals are not given permanence, they are given essentially five-year appointments. However, once individuals exceed that first five years, they get locked into this UN system of expectation of a career. What is being confronted here is not just the specific terms of how individuals are hired, but a desired policy that pervades international agencies. The documents establishing the agency could probably contain provisions to set up a fixed-term, non-career category. This approach would give the OPCW a chance of winning employment dispute cases before a tribunal.

The Need for an Outplacement Function

David A. Kay

Even if the OPCW has this permanent non-career category, after having someone in the Hague for ten years from X country, that individual will be much more willing to move on if he can return to an advantageous position when he leaves the OPCW. An out-placement function needs to be established that makes it possible for some of these people to leave the OPCW.

I sat on the abuse panels in the IAEA and listened to complaints lodged by individuals that the IAEA had the right to fire. The debate would revolve around the fact that the individual in question had been with the IAEA for ten years, and although he may have had bad personnel reports and the tribunal would probably have sided with the IAEA in this case, this person still had no alternative aside from IAEA employment. Even hard-nosed people would end up advocating finding this person a soft job. The pressures to keep people on board, no matter what the circumstances, are really tremendous. A strong out-placement system is needed if the OPCW is going to rely on rotational staff.

Myron B. Kratzer

If the OPCW becomes known as an organization that keeps people for ten or fifteen good years and then trashes them, high caliber people will not want to work there.

William J. Dircks

Every vacancy announcement that the IAEA sends out states that there is no guarantee of employment beyond the initial contract, although there is the possibility that the contract will be renewed.

Joerg H. Menzel

My experience tends to reinforce David's point about the need for government support systems in the out-placement area. An organized out-placement system will enable the OPCW to attract good people to rotating positions who can serve their time and then return to their countries to work in government or industry.

Donald A. Mahley

The problem with that approach is that it flies in the face of the kind of geographic distribution requirement that often predominates UN organizations.

Joerg H. Menzel

True. Like it or not, the OPCW will be a political organization and there will be demands for permanence, patronage, and geographic distribution. On the other hand, a brand new organization is being created and there should be opportunities to improve upon the old, tried system. UNSCOM has finally shown a little bit of different light in this regard. OSIA too has shown how well this different approach works. Military officers are more than willing to work at OSIA for three or four years because they know they have somewhere to go next.

Charles N. Van Doren

In all candor, the problem is that the countries that are most likely to try to dump their people into the OPCW in the name of geographic distribution and patronage are not usually capable of giving these kinds of guarantees and assistance in terms of out-placement.

Personnel for Challenge Inspections**Myron B. Kratzer**

Must inspection be done with a permanent international staff, or does the OPCW have an option to mix and match with short-term people?

Donald A. Mahley

Under the system as it is now envisioned, inspections can be accomplished with a mix of permanent international staff and short-term people, with a few catches. I anticipate that there will certainly be a mixture of temporary hires to assist any permanent cadre with baseline inspections, routine inspections, facility agreement nego-

tiations, and other activities at declared facilities. The problem lies in the challenge inspections, which have two major requirements that impinge on personnel. First, each country must pre-approve a list of individuals who are authorized to conduct challenge inspections inside that country. Second, challenge inspections have an obvious time constraint. For practical reasons, this severely complicates the prospect of the OPCW generating challenge inspections using people that are not already on its permanent rolls, with the appropriate qualifications to conduct the type of challenge inspection needed in that instance.

Harold D. Bengelsdorf

To the contrary, in challenge inspection mode, which will really be a slightly hysterical situation with great drama and politics, the time-scale could be telescoped to get the list of inspectors approved quickly. If a country is willing to agree to the challenge inspection and wants to show that it is clean, that country would want to amend the list of inspectors fairly quickly.

Allan M. Labowitz

The need for a pre-approved list does not equate to a requirement that the list consist only of permanent staff.

David A. Kay

I have two law firms working for me on a contingency basis, not on my permanent staff. If I have legal work to do, our agreement provides that I get first call on their time. EG&G, a large contracting firm, does some work for the US government on a contingency basis. Why could the OPCW not use contingent lists like this for challenge inspection teams?

Donald A. Mahley

The OPCW could use this approach. The OPCW could have a pre-approved list that has non-permanent employees on the pre-approved list, which could be subject to amendment right up to eve of the challenge inspection. The one glitch in this concept is that if the list contains seven or eight individuals who are non-permanent employees with other jobs, there is a question as to whether or not the OPCW could give them twenty-four hours to meet an inspection team in international airport X and actually expect them to drop all prior commitments on the spot.

Amy E. Smithson

As Mr. Bengelsdorf noted, a great deal of political significance is likely to be attached to a challenge inspection. Because challenge inspections will probably not be frequent events, these "on-call" inspectors will probably not be called upon often to leave their regular jobs.

Joerg H. Menzel

It is in the interests of the executives of the Organization to be able to draw on a pre-approved list of individuals. The permanent staff cannot be trained in all contingencies that a challenge inspector may face. A pre-approved list will allow the OPCW to draft

a team with the needed political, technical, and leadership balances. In terms of government versus private employees, my experience in working with the industry is that industry, if given the opportunity, will contribute to this effort and make people available on a short-notice, short-term basis.

William J. Dircks

Unless the appropriate provisions are built into the OPCW's administrative regulations, extra precautions will have to be taken to make sure that the right people are in charge of this type of operation. This door can be slammed shut quickly by the normal bureaucratic, administrative red tape. In principle, this short-notice, short-term approach is possible. To avoid getting side-tracked by the bureaucracy, the practical administrative regulations must be there to make it happen.

Myron B. Kratzer

Individuals chosen for the list of potential challenge inspectors must measure up in technical qualifications to be politically credible. However, when there is really no firm idea of how many challenge inspections there will be, I do not even think a permanent staff can be hired. Given these circumstances, the OPCW will almost be forced to work from a roster of outside experts.

David A. Kay

The OPCW may choose to hire team chiefs for challenge inspections, but the actual number and type of challenge inspections and therefore the type of inspectors needed cannot be predicted.

William J. Dircks

Whoever is on contract with the OPCW should be more of a talent scout than an actual field inspector. The team chief should know where the talent is. An analogy would be that the general manager of the football team is sometimes more important than the coach because he knows where to pick the players and get people on these teams. Again, I stress that the right people need to be placed in these crucial positions.

The Need for an Inspector General

Amy E. Smithson

Many UN agencies have suffered criticisms of waste, fraud, and abuse. Should the OPCW institute from the outset an Inspector General (IG) function?

William J. Dircks

I advocate very strongly that the OPCW have an Inspector General, reporting to a sub-committee of the Executive Council to ensure an honest appraisal. In the IAEA, there were incidents where the IAEA really lacked the ability to carry out a thorough investigation and pin down causes. Not that the IAEA would have wanted to prosecute anyone, but it was nonetheless very difficult to get a good investigation carried out where accountability and wrong-doing could be pin-pointed. I would strongly recommend an institutionalized IG for the new OPCW.

UN agencies have external auditors, but they end up becoming bookkeeping auditors that are not vested with the type of authority needed to conduct investigations into waste, fraud, and abuse. An inspector general could be on call. The IAEA's external Auditor General is currently a Canadian, but this arrangement is very expensive. Somebody from the external auditor's shop might be stationed in the Hague to be on-call for this sort of investigative tasking.

English as the Working Language of the OPCW

William J. Dircks

One of the things I would strongly advise for the new organization is to try from the beginning to establish English as the working language, otherwise the OPCW is going to be inundated with language costs.

For example, the IAEA had one chief interpreter, who was basically a contract officer, and one or two utility people to attend meetings on short notice, but it never filled most of its interpretation slots. Interpretation at all meetings was thus handled through contract work. This approach caused a run-in with the UN, which said that career language staffs were the rule. In the end, the UN actually bought out the IAEA on this matter, and the IAEA got a great deal in the process. Costs for a full-time UN interpreter are about \$800 a day. Contract work costs around \$400. The UN said that it would give the IAEA that price if the IAEA turned its interpretation business over to the UN.

Harold D. Bengelsdorf

This proposal is highly desirable, but probably non-negotiable.

David A. Kay

The distinction is between working language in daily administrative matters and working language in the policy-making organs. The IAEA has English as the working language of the administration, and I do not think anyone, except perhaps the French, will have a problem with that. At the IAEA, the French would not acknowledge the use of English as the administrative language, but in fact they allowed it to continue.

The Single Versus Split-Currency Standard

Amy E. Smithson

What about establishing a single or double currency standard, so that assessments to the Organization would be paid in Dutch Guilders or US dollars?

William J. Dircks

I would favor this approach and think that it is feasible. Approximately eighty percent of the costs of the IAEA are in Austrian schillings. The salaries, which comprise about seventy percent of the budget, are paid in schillings. The OPCW would have difficulty doing this because the budgets are probably calculated in dollars and the US likes it that way.

Some IAEA officials had a couple of schemes to move the agency toward a single or double currency standard. The IAEA budget can be fixed in dollars, then costed out in schillings. Payments should come in that way—either in dollars or schillings, or in this case Dutch Guilders. Otherwise, the OPCW is forced to speculate on the currency market. The IAEA has a split currency system that was gerry-built, but it functions. The OPCW should start off from scratch using the Dutch Guilder because that is the currency that will be needed to pay the bulk of its costs.

Allan M. Labowitz

At one point, the IAEA had a system that allowed the professional staff to designate that up to a certain percentage of their salary would be paid in dollars and the balance in schillings. Do you recommend that kind of system?

William J. Dircks

The OPCW should pay salaries in the local currency. If OPCW personnel then want to go off and buy dollars, they can buy dollars. For simplicity's sake, the OPCW should work in a single currency. Multi-currency accounting is extremely difficult. Moreover, multi-currency accounting is very costly, and there is always some uncertainty about the accuracy of this type of accounting system.

David A. Kay

The use of multiple currencies is written into UN personnel rules. If the OPCW is going to use a single-currency approach, it cannot use UN personnel rules, which guarantee that part of a staff member's salary is paid in his home country's currency or another designated currency. From the staff's point of view, there is tremendous pressure to keep this practice because they do not have to bear the exchange costs. The International Maritime Organization allows its staff to change the percentages of currencies for salary payments up until five days before the pay period expired. The IAEA I believe required at least thirty days before a staff member could change the percent. In some UN agencies, staff members devote a great deal of creativity to taking advantage of this arbitrage activity. Almost every personal computer has a spreadsheet of the foreign exchange rate.

Donald A. Mahley

Within the international service community, this practice is indeed widespread. I witnessed a classic example played out by the North Atlantic Treaty Organization's international staff. I was the US representative to the Defense Review Committee at a meeting in Brussels. Just as the meeting was about to start, one of the international staff announced that the arbitrage limit had just gone over a certain percentage point. Every international staff member—including the Assistant Secretary General who was chairing the meeting—ran down to the bank to get in line to arbitrage their salary.

Suggestions to Help with Payments of Assessments

William J. Dircks

The cost of paying the exchange fee is much less than handling multiple currencies. Furthermore, having a single-currency system does away with countries speculating on the currency market and delaying payment to the UN. The Japanese have engaged in market speculation for many years. They budget at a certain yen to dollar ratio, and they will wait for the dollar to go into their zone before they will pay their assessment. The United States pays late as well, not with any finesse, but because of the congressional problem. Two years ago, the United States lost \$8 million by postponing its payment from January to November.

Charles N. Van Doren

Is there any way of escaping the late payment by the United States in the new organization? What about avoiding late payments in general?

William J. Dircks

This task is actually very easy to do. The appropriation that is needed to pay the 1993 bill should be in the congressional act that will be passed and become effective in October of the preceding year.

Donald A. Mahley

The PrepCom is supposed to address just these issues. First, this year, one of the biggest issues of contention is going to be the second-year budget to the PrepCom, which will have to be drafted in the next three months so that the assessments can be made at the end of December. Second, the PrepCom needs to include in its financial regulations a stipulation that the OPCW and PrepCom cannot borrow money. Third, during the second year of the PrepCom, ideally we would try to collect the first year's assessment for the OPCW's operation so that essentially a year's assessments in advance will be in the bank. Whether or not that will work remains to be seen, particularly with the large share of the expenses that the United States is slated to pick up.

David A. Kay

Two other things that can be done are to establish a working capital fund and to require interest payments for late payments. The United States historically has opposed interest on late payments because the United States is usually a late payer. Nor has the United States been terribly favorable towards substantial working capital funds, because such a fund could give the Secretariat undo freedom to wander. US positions on both these issues ought to be reconsidered. If the interest charge is substantial enough, countries will stop attempting to profit from arbitrage.

To alleviate some of the suspicions associated with a working capital fund, the terms for budgetary approval could clearly state that the fund's purpose is to allow the OPCW to meet unexpected costs that are approved by the policy-making organs. For instance, in one year, the Technical Secretariat may have to conduct more challenge inspections than it had anticipated and planned for in the budget. This fund would mean that the

director general would not have to go back for a supplemental budget. The whole purpose of challenge inspections would be defeated if the inspectors have to wait for budget approval. If rules were established for the fund that would require transparent reporting by the executive authority to the policy-making organs, the United States and other countries would accept the concept.

William J. Dircks

This mindset is tough to get around. The United States does not like to pay interest. Therefore, I would use a back door approach. The OPCW should put up a fee chart - if a country pays in January, its fee is "X" amount, if it pays in November, its fee is "Y" amount. States will have a choice. The fee is a euphemism for an interest payment.

US Budgeting for its OPCW Assessment

Donald A. Mahley

US payments will not come out of the International Organizations (IO) account, which is always over-subscribed and a matter of contention. Unfortunately, the current arrangement may collapse in the US government if the Arms Control and Disarmament Agency (ACDA) is dismantled. The present arrangement is that both the US portions of the PrepCom and the Provisional Technical Secretariat (PTS) budgets are specifically allocated to ACDA. We hope the OPCW budget would be handled the same way.

David A. Kay

If ACDA disappears, a tremendous effort should be made to try to move these budgets to the Defense Department or someplace other than the IO account.

Appropriation Authority

Amy E. Smithson

Should the OPCW adopt the UN's two-year budgetary appropriation authority, or perhaps institute additional planning on a five- to seven-year scale?

William J. Dircks

Two years would be a good appropriation authority for the OPCW. The OPCW should also impose some sort of a five-year, medium-term planning requirement, so that its planners are forced to look ahead in a quantitative way. The OPCW would have the right to liquidate its obligations one year past the expiration of the obligation year. The appropriation creates the obligation authority. A two-year appropriation authority reduces the end of the year purchase crash, and the accounts can still be audited. This approach also deals with the problem of returning large surpluses back to the member states, which is horrendous. Two years is a good number.

Evaluation and Oversight of the Budget

Amy E. Smithson

Should the OPCW institutionalize program evaluations in conjunction with this budgetary process?

David A. Kay

I cannot imagine a budget process without a structure that would allow OPCW officials to go back and revisit certain budgetary categories to help evaluate how programs are running. The whole UN system would be better off if the chief executive officials of agencies were given larger discretionary authority on expenditures and responding to events, as opposed to almost line-item expenditure approval. These operations would have to be carefully monitored with strict accounting and performance evaluation. The resulting reports would be made available to the political organs for oversight.

The OPCW needs this type of approach. Management ought to have the responsibility and the freedom to respond to changes, but they ought to be held accountable for what they achieve. Evaluation should be a routine matter throughout the system, but it should not be totally and only responsive to the executive head and never seen by policy-making organs. This approach is equivalent to the IG function. Typically, the IG should not be responsible just to the head of the agency because there would then be the opportunity for hand holding under the table. The IG requires the oversight authority to exercise its powers appropriately.

William J. Dircks

The problem here is that the oversight body never had any interest in this type of responsibility. At the IAEA, which is better than most UN organizations, a great deal of time was spent over the last couple of years structuring the budget that would outline where the money and efforts were going and trying to get some idea of the deliverables. The accounting system was supposed to pick up the slack and actually provide reports on what was delivered and how much it cost. This evaluation was to be part of the accounting and budgeting system. It was extremely difficult to interest the member states in this sort of accountability. Some of them were not the least bit motivated to ask where the money went, how much was paid for this Chernobyl study, or where the funds come from.

I hoped that some well-placed questions from the member state representatives would help prod the reform along. The majority of the governors were not interested in getting into this matter, which they said was something for the director general to worry about. Their determination not to get involved was evident.

For the OPCW I would propose a major reform of standard UN practice so that these issues of evaluation and accountability are addressed. To spur this reform, the United States should place somebody from its Office of Management and Budget in the Hague to ask these very simple questions. Before the states pay their assessment for the next year or two, they should know what was done with the money in the past two years. This loop must be closed because the budget cannot be looked upon by these agencies only as a means to get money. The budget should also be used to show what they did with the money they had. Unless the OPCW sets tight regulations that require its people to answer appropriate accountability and evaluative questions, money is going to simply disappear. International civil servants do not like to answer those kinds of questions, so something as burdensome as the Planning, Programming, and Budgeting System will probably have to be used.

David A. Kay

Nor do the executive directors of UN agencies like to have to answer those questions. Aversion to evaluation and accountability starts at the top; it is not just the civil servants that shy away from these questions.

Two sorts of evaluation functions are being confused here. One is an evaluation for improving on-going operations, which is part of the inspection function and has to be run internally. Inspections should also have a strong evaluation function attached to them to be sure that the inspections are actually accomplishing their goals.

The other is the evaluation of program performance and orientation, which becomes more crucial the larger the Organization's mandate expands. If, for example, the OPCW is going to have technical cooperation and assistance, evaluation and accountability become absolutely essential. On the one hand, members of the policy-making organs almost implicitly will have the information they need to evaluate the OPCW's inspection programs because their countries are the ones being inspected. On the other, technical assistance is project specific, and I have never seen a policy-making organ of any UN body that really understood what was being accomplished—or not accomplished—by their technical cooperation programs. The result can be a long list of highly technical projects and very little direct information on their aims or accomplishments. Expansion of the OPCW's mandate into technical cooperation and assistance has the potential to become a black hole—a slush fund, a political payoff fund—unless a program evaluation capability is present.

Donald A. Mahley

The US government should set up this type of function as part of its delegation in the Hague. Another useful tactic would be to set up an escape clause, for example, in the assessment that says that this kind of accounting has got to be provided or countries could withhold their assessment fees. That type of provision forces the OPCW to realize that without accountability for how they have been spending the money, they will face the probability of not having money paid into their coffers.

Warnings About Technical Cooperation and Assistance Programs**Amy E. Smithson**

In the IAEA budget breakdown, approximately thirty-five percent goes for safeguards, twenty-five percent for promotional activities, and forty percent for administration and support. Is there anything that the OPCW can do from the outset to ensure that the emphasis goes where it should, to the inspection activities?

Myron B. Kratzer

The IAEA got into trouble on this subject because there was no oversight. Part of the key is to ensure that some oversight is given by people outside of these activities.

Donald A. Mahley

While organizational costs will be covered by assessments, technical cooperation and assistance will be handled on a voluntary subscription basis. Technical cooperation deals first with the idea that the OPCW cannot restrict certain activities on the part of parties that are in full compliance. Second, Article XI stipulates that states review their export control policies on a national basis to harmonize them with the purposes of the Convention. The idea is to help promote world-wide progress through the free and full exchange of chemicals, equipment, and scientific and technical information. Technically, states parties are the responsible entities here, not the OPCW itself.

Nonetheless, some developing countries will devote a great deal of energy and imagination to get this arrangement translated into a growing burden on the part of the OPCW. This implies the hiring of a sales staff that travels to various national capitols trying to promote contributions by governments and industries to this program. I do not see that it would become a big budgetary function in terms of OPCW activities. Perhaps, however, I am being naive about this matter.

Harold D. Bengelsdorf

This is one case where the OPCW should studiously avoid the IAEA precedent. Technical assistance has been an enormous headache—a vehicle for feckless argumentation in the policy organizations. My personal recommendation would be to strike it from the OPCW's charter.

William J. Dircks

Although this will be a voluntary fund, the payments for the administration of that fund are not in the assessed budget. There is potential for this ever-increasing fund to not be properly administered because administrative assessments in the IAEA have been at zero growth. One fairly common problem is having a large amount of money, but very limited resources with which to exercise oversight of that money. As a result, people were not getting the results they had anticipated from the technical assistance fund.

At the IAEA, the bulk of the administrative costs are in the policy-making organs. The costs of administering and serving the Board of Governors are very high. Costs for the General Conference ran over \$1.7 million. Board meetings cost from \$160,000 to \$170,000 a day. These meetings all involve interpretation, translation, and printing costs. To print documents for the Board of Governors costs \$250 per page, and they keep demanding more and more pages of information. The care and feeding of the policy-making organs is a very expensive thing.

Furthermore, the subject of technical cooperation also dominates every policy-making meeting. Important safeguards issues are lost in the stampede to get to the subject of technical assistance, which is beaten to death at every meeting.

David A. Kay

Although technical cooperation is voluntary in the IAEA, there has always been an implicit linkage made and effected that this fund should not be larger or smaller than the amount spent on safeguards. When the IAEA needs additional money for safeguards, it

has only been politically possible to get that increase in funding if an equivalent increase goes for the technical assistance voluntary fund. This linkage is politically and organizationally a real break on flexibility and expansion. In the IAEA, this quid pro quo cannot be avoided. The potential to reap rewards from the technical cooperation program lures the wrong type of people to attend the Board of Governors. The Board of Governors of the IAEA was a model in the early years, full of committed people who had the expertise. Today, when opportunists abound, this just is not the case.

If the OPCW has to agree to technical cooperation for political reasons, evaluations of the programming should be written from the outset. This written record will provide a break on growth if it shows that the technical assistance side of the house cannot spend the money it has effectively.

Allan M. Labowitz

There are two elements to the IAEA's technical assistance programming. One is the monetary target for cash contributions to the IAEA. Upon receipt, the money is given to the Secretariat. The Secretariat receives proposals, decides whether a proposal meets the standards that the staff has established for assistance, and dispenses the money. The second segment of the assistance program is the contributions in kind. For example, a country can award fellowships, set up a training course and invite trainees, or send an expert to assist a country in some way. Equipment might even be provided. How a similar cooperation and assistance program would operate in the OPCW is unclear.

William J. Dircks

Cooperation and assistance programming invites a lot of abuse. At the IAEA, countries did not have to contribute hard currency to this fund. Totally worthless currencies found their way into the fund, and the IAEA did not know what to do with them. Other types of misuse included the export of cyclotrons from Russia, which were charged against their contributions to the fund. To double the problem, the IAEA would sometimes have to match this "contribution" with hard currency to cover shipment costs and other expenses. Many recipient countries try to profit from the cooperation and assistance programs, which were a drain on the IAEA.

David A. Kay

Some of the fellowships certainly were beneficial, but the positive benefits of this program must be qualified: technical assistance also went to the North Koreans and the Iraqis because international agencies have to do things equitably.

These programs also led one to do things that were pernicious in terms of the over-all goals of the IAEA. One of the first projects I had to look at during my tenure at the IAEA was a technical cooperation project for Libya for uranium hexafluoride conversion that had been approved with the US governor's signature. In fairness to everyone, this thing went through because the State Department received the technical cooperation project book, which is every bit of two inches thick, with only six weeks notice. The United States was then put in the embarrassing situation of having to try to withdraw the project, which was accomplished by making a determination that the Libyans were, in fact, not able to carry out this project.

Allan M. Labowitz

That tale comes from the part of the program in which money was provided to the Secretariat to dispense, not in the contributions in kind. The contributions in kind were for the projects left over after the Secretariat dispensed the cash. The cash was the corrupting factor in this program.

I would note that the IAEA program was written as a charter responsibility of the agency.

Donald A. Mahley

The technical cooperation, assistance, and development area was added to the PTS at the very last minute in the negotiations to avoid some other difficulties, so this is an area where there is a very strong need for a clear understanding of the IAEA's experience so that the OPCW can learn what to avoid. Some at the OPCW will be tempted to use the PrepCom to give the OPCW a charter to do exactly these kinds of mischievous, wasteful things in the OPCW. In this case, fore-armed is fore-warned. The cooperation fund, administered by the Technical Secretariat of the OPCW, is separate from the regular expenses of the Organization.

Myron B. Kratzer

The consensus of this group is that the OPCW should do its utmost to try to get by without getting entangled in this assistance and cooperation mess.

Harold D. Bengelsdorf

For years, there have been arguments to do away with the voluntary aspect of the technical assistance program, to put it into the assessed budget. Apparently, people have become convinced that they will make out better on the voluntary basis than they will if this is tied to assessments.

Training Programs

Amy E. Smithson

Should the OPCW follow the basic IAEA model of basic training, refresher training, and advance training. If not, should the OPCW modify that formula?

Allan M. Labowitz

A new IAEA inspector is in training and on the payroll for a year before he goes out as a solo inspector. A trainee goes out only in the company of a certified, licensed inspector before he is certified. Though I am not as familiar with the inspection requirements of the OPCW, I would be surprised if the chemists and chemical engineers likely to be recruited are going to require a full year of training. The OPCW may put emphasis on material accounting and control and use of instruments and this would require an extended training period, particularly if there are no corollary procedures and equipment in the industrial sector from which these inspectors are likely to be recruited. This may be especially true for candidates from developing countries, where they do not have a developed chemical industry. In the IAEA's case, few states had a ready supply of

candidates for inspection positions, but the OPCW ought to be able to do better because the chemical industry is more widespread than the nuclear industry and therefore the concepts for chemical inspections are not going to be as unfamiliar.

William J. Dircks

The source of some of the IAEA's problems is a mixing of motives for the safeguards mission. On the one hand, these inspections had a very important, technical mission. The IAEA should have demanded very highly qualified people with experience in nuclear industrial operations. On the other hand, the IAEA attempted hire people from developing countries as a means of assistance. People from some of these countries, who have maybe some basic scientific knowledge, cannot be brought in at entry level and then be quickly trained to do the highly technical inspections expected at the IAEA.

Training is very important and if the OPCW is going to be under the same pressure to spread employment around, some of the candidates that it will hire will have to be trained for an extremely long period. At the IAEA, the entry requirements were not put high enough to get the type of industrial, technical experience needed. A person from a country that has virtually no nuclear industry cannot be run through the IAEA's training programs, given limited team experience in inspections of a reprocessing plant, and then expected to pick up on his own whether or not a reprocessing plant existed at point A or point B. That person does not have the knowledge to ask the right questions; he can be fooled very easily. If the OPCW takes this cosmetic approach to training, it will have problems. A very different basic training program would have to be created for lesser qualified candidates who might do routine work and then another training course would be set up for the more qualified candidates who would be expected to do the much more intrusive, aggressive inspections.

Harold D. Bengelsdorf

The issue here is far broader than providing adequate training. It goes to the entire issue of providing adequate US support to the institution. They did not push the secretariat hard enough in certain areas. A number of mistakes made in the IAEA experience were largely of US doing, in the sense that on paper the IAEA had a good safeguards system. However, an erosion took place where a certain insularity got into the system and the IAEA did not vigilantly exercise its rights. This lack of vigilance was a product of the growth of a culture within Vienna and also in the way the IAEA was backstopped in Washington. A limited number of US officials more or less staked out the exclusive responsibility for looking at safeguards. Therefore, it is crucial to look at the issue of the on-going relationship between the OPCW and the United States. Continual interaction will be needed to put into this inspection system the kind of adversarial attributes that are needed.

Myron B. Kratzer

An institutional outlook has to be instilled. Perhaps to do so, the OPCW has to be staffed with people that literally are indoctrinated in what is expected of its goals and operational style. Hopefully by osmosis and by the fact that some of these individuals will have supervisory positions, these values will be instilled in the OPCW as a whole.

The United States needs to select the members of the US mission carefully and put them through an extensive orientation program. The US members of the OPCW's staff need to understand the OPCW's objectives and try to instill that purpose in non-US members of the inspection teams.

David A. Kay

Apparently, the OPCW is baselining and then randomizing the inspection process. When inspections are randomized, every inspection is non-routine. Inspectors cannot be categorized into a group of routine drones and a group of hot shots who will go out on challenge inspections. Training has to be geared so that there is no such thing as a routine inspection, so that each trainee clearly understands that every inspection is the opportunity to discover. This approach will be easier for the OPCW because there is this plan to randomize after the baseline period.

If the OPCW is going to have initial years of heavy baseline inspection, it will not be able to hire untrained, uninitiated candidates and train them for two years before they are ready to go out. The OPCW will need people that are essentially trained and can be brought up to speed with an intensive orientation period. This task will be difficult, but the OPCW's internal training capabilities should not be as large as those at the IAEA. The OPCW has a tremendous advantage because there are national chemical weapons training programs in Australia, Canada, Britain, and the United States that are much better than what the IAEA faced, which was essentially a US training facility. The IAEA had to create an international program so that it would not look like everyone was just being indoctrinated in the US one.

Another negative factor is that the training program in the IAEA safeguards department has become a dumping ground for inspectors who are burned out and otherwise are not suitable for conducting inspections. Training at the IAEA has become an administrative program, which is another argument for keeping the OPCW's internal training down as low as possible. Whatever training program the OPCW creates will just not have the rigor of peer review that is found in an internal Australian or Canadian program, nor will it have the rotation. The IAEA is probably not the appropriate model for training the CW inspectors and the PrepCom should be told that. The types of inspections the OPCW will be doing are not typical of the IAEA process anyway.

Charles N. Van Doren

I would like to point out that the management, analysis, and evaluation of the huge amount of data will be coming in to the OPCW is probably one of the most important facets of the monitoring process because that determines where the OPCW will send its inspection teams. The OPCW should not reserve its most skilled inspectors just for the challenge inspections, but should take care to populate the data monitoring office with sharp people.

Joerg H. Menzel

One of the differences between the IAEA inspections and the chemical realm is that nuclear facilities were built after the mid- to late-1950's. The sites inspected by the IAEA are at a maximum thirty years old. Moreover, these facilities are all built to certain

international standards, and there are drawings and pipes that inspectors can follow. The OPCW will in large part be inspecting the chemical industry. The industrial chemical facilities in the United States, much less those facilities in the Third World, are a confusing maze. There is no such thing as a standardized facility.

One of the requirements for these industrial facilities is to provide the OPCW with industrial drawings. Apparently, these chemical facilities grow up in such ad hoc fashion that not many US manufacturers have industrial drawings, and drawings never existed for some sites. The only way to inspect those facilities is to have experts—experts with a life-long experience and inquisitiveness, folks that know where pipes go. This type of inspector will not have to rely on a check sheet to tell him whether something is right or wrong. They go by feeling, by an environment that tells them something fishy is going on. Anybody who thinks he can train an inspector from scratch to go into one of those facilities and catch what is going on is mistaken.

William J. Dircks

That type of instant expertise cannot even be expected on the nuclear site. Perhaps neophyte inspectors can be trained to count fuel elements in a light-water reactor, but they cannot be put into a radio-chemical laboratory and expected to pick up signs of recent activity in reprocessing or whatever other prohibited activity might have been taking place. Inspectors have to know just what goes on in these plants and have the ability to draw the plant staff into conversation and ask the right questions. A liberal arts candidate from some university, or even a graduate student, cannot be instantly trained to be a good investigator. This mission requires people who have come out of an industrial corps.

Joerg H. Menzel

Moreover, this mission cannot be accomplished with a professional corps of permanent staffers. Fresh blood is needed that will continually renew the OPCW's base of expertise with new skills and approaches.

Leadership in the PrepCom and the OPCW

Donald A. Mahley

One of the most challenging aspects of working with the PrepCom is understanding that not all of the participants necessarily have the amount of resources that the United States has to devote to various issues. Trying to get constructive input from some of the countries that need to contribute to the process, but are strapped to do so, is difficult. For the PrepCom process to succeed, these countries need to be an integral part of the process, but it is evident that leadership must come from some quarter, most likely from the US delegation. If that is the case, then US positions must be framed so that the technical and policy recommendations that they contain are acceptable to these countries, so that they will participate fully in the process. Perhaps the IAEA experience has some lessons to offer about US leadership in situations where there is great disparity in the resources that the participants bring to the table.

William J. Dircks

Unless the United States makes up its mind about what it wants to get out of these international organizations and mobilizes—not with a sledgehammer approach, but a drive that mobilizes consensus to get the job done—nothing will be done. From my experience, the other delegations sat around waiting for the United States to take a position. In short, US leadership was not just needed, it was expected.

When US leadership was absent, the other countries wondered what the United States was doing and why it did not take the initiative to push things along. Therefore, I would encourage the US government to develop its positions, almost in a semi-finished form, and then consult with their friends in other delegations. Matters should not be left to the international bureaucracy. In this vacuum, professional international bureaucrats, many of whom are likely to be dominating the PrepCom right now, will take over and the OPCW may find itself in deep, deep trouble. I personally wanted a lot more leadership from the United States, which should be establishing crucial alliances very early on in this process.

David A. Kay

The most common problem in UN policy over at least the last fifteen or twenty years is that the United States has hung back, for varying ideological reasons. This reticence has come from both Democrats and Republicans, who have had different ideological justifications for similar behavior with regard to the UN. The rationale has been, the United States does not lead in the UN, because if it leads, its positions will be rejected automatically and the outcome will be disadvantageous to the United States. The United States is more likely to wait and think it can work off of another country's policy when it comes out, but that rarely, if ever, happens.

In fact, under these circumstances, there is no outcome. Other countries are waiting for the United States to lead. Without US leadership, no one is really happy with the outcome. There is simply no substitute for US leadership, which is not to say the United States should cram its positions down the throats of other countries. The United States should develop positions and then lobby and push them to get things moving.

Myron B. Kratzer

US participation in the IAEA was an exception to this general lack of leadership. My experience was that the United States was always out in front in the IAEA on issues of substance, like safeguards.

William J. Dircks

Compared to other UN organizations, US participation in the IAEA has been much better. The purpose of this exercise is not to repeat those mistakes made with the IAEA. In comparison with the general UN operation, the IAEA is magnitudes better. In the administrative nuts and bolts, the United States would often say, however, that it did not want to get involved in matters of budget, technology, personnel, or job descriptions. Administrative matters drive an agency, but they are also very delicate issues. The United States had other, supposedly more important things in mind, like safeguards. The United

States is naive to operate in this manner, because major substantive things cannot be accomplished unless the mechanisms that run the agency are solid. The United States laid down some principles for administrative matters, but because it had other priorities, many of those principles fell by the wayside. I am strongly in favor of having a US official occupy a very high position in this bureaucracy dealing with these administrative matters.

Joerg H. Menzel

I agree that US leadership is needed. The prospect of how the other member states might react should not hold back the United States from attempting to lead. Other states are going to react anyway, whether the United States leads or not. The United States might as well lead and try to get something accomplished that reflects its goals as well as universal goals in the Organization. However, I am not convinced at this juncture that the United States knows what it wants from the OPCW and the CWC. For example, my experience of over twenty years indicates that it is very important for the United States to decide what level of access to information it wants to have. To what degree does the United States feel that it needs access to information, and how can the US delegation go about obtaining such access? The second part of the equation is compliance judgment. Has the United States made up its mind on whether to leave the compliance judgment with the OPCW, which is the case for the IAEA? These are fundamental, substantial questions.

Most Important Lessons Learned

Amy E. Smithson

In turn, would you each highlight the most important lessons you learned from your IAEA experience that should be applied to the OPCW?

Allan M. Labowitz

The backup that the US government provides to the OPCW will be crucial. The US government must be well-organized to maintain surveillance, support, and evaluation for the OPCW and provide it with the help it needs. The back-up organization—and ACDA may not be up to this job—should also give some attention to the national technical support programs for inspections, which were very important in the IAEA's case.

Harold D. Bengelsdorf

I covered my greatest concern in the general remarks I made on the need for on-going, aggressive US support for and interaction with the Secretariat. If this inspectorate is to be assertive, this has to be communicated on a constant basis to ward off an erosion of performance.

David A. Kay

Whether it is called institutional outlook or organizational culture, clearly this is the key to maintaining long-term organizational efficiency. In the IAEA, two things were happening. First, the director general was excluded from being responsible for the organizational outlook of the safeguards department. The safeguards department thus viewed itself as a separate organization. At one meeting that I attended, the deputy

director general for safeguards referred to safeguards as “my organization.” A separate culture flourished in the safeguards department, and, as Iraq showed, it was not a culture oriented toward effective inspections.

The other problem was a failure to realize that the most important thing for the director of an organization to do is ensure the vitality of the culture and that it does not inevitably erode. Erosion is exactly what happened at safeguards, which had and still has a lot of good people. Nonetheless, the outlook over the years became one of routinely, mechanically handling its mission. This erosion occurred partly because of pressure to accommodate the demands and expectations of entry level employees, which differed from the caliber of work that could be asked from more qualified individuals.

The most important thing, particularly for a new organization, is to understand from the outset that the culture of the Organization is being created. How is the OPCW supposed to respond to various situations? What is the OPCW expected to do? What type of behavior should get an OPCW staffer fired? All of these things have important implications for the OPCW’s organizational culture as a whole.

Joerg H. Menzel

The most important thing is to find out what the United States wants the OPCW to do. When that question has been answered, the rest will follow. The United States has expected certain things of the IAEA that the agency could not do even if it were perfect. The situations in North Korea and Iraq come to mind. The IAEA could have done some things differently, but others they could not.

Furthermore, who should be making the compliance judgement? The Executive Council? When the IAEA makes compliance judgements, it gets criticized. The IAEA conducts the inspections, evaluates the data, and makes the compliance determination. Should the OPCW follow that model? If not, the United States will need access to the information and a mechanism to make its own compliance judgement. If the United States wants access to information, it must arrange for this access now. Later, this cannot be changed.

Finally, what responsibility does the OPCW have vis-a-vis the chemical weapons stockpiles in Russia and the United States? The OPCW would be the first international organization responsible for monitoring weapons at military facilities, or should the OPCW concentrate on industrial facilities? There is a world of difference between these two missions.

Myron B. Kratzer

I am not sure that the job, however it is defined, is doable. Obviously, I accept that it is very important to determine what the United States expects this agency to do. The institutional or cultural aspect is at the heart of the issue. What do these guys think their job is? Do they think it is to be careful not to rock the boat or to really find out what is happening? Unless the latter is the case, the OPCW is going to be effective only on paper.

Charles N. Van Doren

I would emphasize the terrible importance of the OPCW's mechanism for deciding how to allocate its inspections efforts.

William J. Dircks

The OPCW will depend heavily on the United States for its direction. The United States cannot delegate that task, because if it does, the job will not get done. In the end, these countries will look to the United States, the implication of which is that America is responsible and should do something. The United States needs to make up its mind what it wants the OPCW to do and then get on with the job.

Finally, from the start, close attention must be paid to the administrative nuts and bolts. Skilled people should be placed in key jobs at the OPCW, such as the financial, personnel, legal and external affairs slots. The United States must give support to these people, not isolate them.

About the Participants

Harold D. Bengelsdorf has some thirty years of experience working with the International Atomic Energy Agency. He was the Senior Advisor to the US Representative to the IAEA, a member of the US delegation to several meetings of the IAEA Board of Governors and the IAEA General Conference, and the alternate US representative to the IAEA Committee that developed the Safeguards System of the Nuclear Non-Proliferation Treaty. From 1978 to 1982, Mr. Bengelsdorf was the focal point within the Department of Energy for developing and implementing US international nuclear programs with emphases on nonproliferation, international nuclear cooperation, handling of sensitive nuclear export issues, support of international safeguards, and negotiation of complex international nuclear arrangements. He continues to pursue these areas as an independent consultant to Ogden Environmental and Energy Services Co., Inc.

William J. Dircks was the Deputy Director General of the IAEA from 1988 to 1993, with managerial responsibilities for the agency's \$200 million budget and with a staff of 2000. From 1986 to 1987, Mr. Dircks served as the Executive Vice President and then President of the Atomic Industrial Forum, a nuclear industry association. Prior to that appointment, Mr. Dircks spent eleven years with the Nuclear Regulatory Commission, where he was the Director of the Office of Nuclear Material Safety and Safeguards and later the Executive Director for Operations, the chief administrative and operating officer of the Commission. Before going to the NRC, Mr. Dircks held positions in the Environmental Protection Agency and the Commerce Department. He was also an officer in the US Air Force from 1951 to 1959. He is currently working as an independent consultant.

David A. Kay served at the IAEA from 1983 to 1992. As the Chief Evaluation Officer of the IAEA from 1983 to 1991, he was responsible for evaluating all of the IAEA's technical cooperation activities. From 1991 to January 1992, he was the Deputy Leader of the Iraqi Action Team and Chief Inspector for three inspections in Iraq that uncovered crucial information about Saddam Hussein's covert nuclear weapons program. In addition to his tenure at the IAEA, Dr. Kay has worked for the United Nations Educational, Scientific, and Cultural Organization, the American Society of the International Law, and the US Mission to the UN. Dr. Kay is currently serving as the Secretary General of the London-based Uranium Institute, which provides independent research services on the supply, demand, and trade of uranium and nuclear fuel.

Myron B. Kratzer has written and testified extensively on nuclear nonproliferation and international safeguards. He held a variety of positions in the staff of the Atomic Energy Commission (AEC) from 1951 to 1971, including Assistant General Manager for International Activities, the senior international post in the AEC. From 1971 to 1977, he worked on nuclear issues in the State Department, where his last position was that of Deputy Assistant Secretary of State for Nuclear Energy and Energy Technology Affairs. In 1977, Mr. Kratzer joined a firm now known as Ogden Environment and Energy Services Company as Vice President and as Director of its Japanese affiliate, International Energy Associates of Japan Limited. Mr. Kratzer recently completed a major review

of IAEA safeguards for the Department of State, as well as a comparison of the verification systems used by the IAEA and the Intermediate-Range Nuclear Forces Treaty. He is currently working as an independent consultant.

Allan M. Labowitz began his career in nuclear nonproliferation issues in the mid-1960s as the Special Assistant for Disarmament to the US AEC, where he contributed to the drafting, negotiating, and promoting of the NPT. He was on the US delegation to the IAEA's Safeguards Committee after the NPT's entry into force in 1970. For the next eight years, he served as Counselor in the US Mission to the IAEA in Vienna. He practiced law in a private firm for five years before being recalled to the Senior Foreign Service to assist the Ambassador-at-Large for Non-Proliferation Policy and Nuclear Energy Affairs in his role as US Representative to the IAEA and related matters. Mr. Labowitz is currently a Senior Analyst at the Meridian Corporation, where non-proliferation and the IAEA continue to be his principal interests.

Donald A. Mahley currently heads the US delegation to the Preparatory Commission. Since January 1990, he has served as Deputy Assistant Director for Multilateral Affairs at the US Arms Control and Disarmament Agency. Mr. Mahley is responsible for policy analysis, formulation, and implementation in the areas of chemical weapons negotiations, biological weapons, UN disarmament issues, and European security issues. Before moving to ACDA, he was the Director of Defense Policy and Arms Control on the National Security Council staff from 1984 to 1990, responsible for European Nuclear Policy, North Atlantic Treaty Organization Defense Policy, President George Bush's Open Skies initiative, and Chemical and Biological Weapons Policy. Mr. Mahley retired from the US Army as a colonel.

Joerg H. Menzel served at the IAEA from 1973 to 1976, introducing non-destructive analysis technology into routine worldwide use by IAEA inspectors. He joined ACDA in 1976 to participate in the rethinking of nuclear energy and nonproliferation policies by the Ford and Carter administrations. From 1985 to 1987, Dr. Menzel served as Senior Advisor to the Ambassador-at-Large for Non-Proliferation Policy and Nuclear Energy Affairs in the Office of the Secretary of State. Dr. Menzel also contributed to the US/Japan agreement on nuclear cooperation and worked on bilateral arrangements with the People's Republic of China to ensure the peaceful use of US nuclear supplies. Dr. Menzel returned to ACDA in 1987 and since January 1990 has been the Principal Deputy Director of the US On-Site Inspection Agency.

Amy E. Smithson is a Senior Associate at the Henry L. Stimson Center, where she is the principal investigator for the Stimson Center's Chemical Weapons Convention Implementation Project, which is monitoring preparations for the implementation of the CWC and serving as a watchdog, information clearinghouse, and advocate for the strongest possible chemical weapons nonproliferation regime. A specialist in verification issues, Ms. Smithson is the co-editor of *Open Skies, Arms Control, and Cooperative Security* (St. Martin's Press, 1992) and the author of numerous journal articles on various arms control topics. She previously worked for Pacific-Sierra Research Corporation and the Center for Defense Analyses.

Charles N. Van Doren capped a nineteen-year career at ACDA as the agency's Assistant Director from 1977-1981. A specialist in issues relating to the IAEA, he

participated in the negotiation of the NPT, its presentation to the Senate, and in all subsequent phases of its implementation, including service as the Alternate US Representative to both the 1975 and 1980 NPT Review Conferences. He was a member of the US delegation to the IAEA Safeguards Committee. Mr. Van Doren played a leading role in the policy review following the Indian nuclear explosion of 1974, which led to the formation of the Nuclear Suppliers' Group, and in the negotiation of the Nuclear Suppliers' Guidelines. He is currently employed as Principal Consultant of the Ogden Environmental and Energy Services Company.

