

**REPORT BY THE DIRECTOR-GENERAL****USE OF THE SPECIAL ACCOUNT FOR THE 2001 CASH SURPLUS**

1. The Conference of the States Parties (hereinafter “the Conference”) decided at its Eighth Session to withhold distribution of the 2001 cash surplus and to place it in a special account. It also required that the Director-General report to it at its Ninth Session on the operation of the special account, and that he make recommendations for a Conference decision on how any remaining balance from the account should be applied (C-8/DEC.19, dated 24 October 2003).
2. At its Thirty-Seventh Session the Executive Council (hereinafter “the Council”) recommended to the Conference that an amount of EUR 2,050,968 remaining from the cash surplus for 2001 be allocated to Member States in accordance with Financial Regulation 6.3(b) and (c) (EC-37/DEC.11, dated 1 July 2004).
3. The Director-General submitted a report to the Conference at its Ninth Session that referred to the aforementioned recommendation by the Council (C-9/DG.6, dated 18 November 2004). The report also made the following recommendation:

“The Conference may...wish to consider allocating the entire outstanding balance of the 2001 cash surplus in the special account as at the end of 2004 in accordance with Financial Regulation 6.3. The amount thus allocated would include interest accrued to that date and any further amounts that have not been disbursed or obligated by then.”
4. The Conference considered and noted the report by the Director-General, and the total amount of EUR 2,100,320, representing the remaining balance of EUR 2,050,968 plus EUR 49,352 in interest earned to the end of 2004, was subsequently allocated to Member States in accordance with Financial Regulation 6.3(b) and (c).
5. The aforementioned report by the Director-General also included a recommendation that this special account be closed when all obligations still outstanding against it at the end of 2004 have been liquidated or cancelled in 2005. (In accordance with accounting requirements, these obligations could remain valid up until the end of 2005.)



6. All outstanding obligations against the special account have now been liquidated or cancelled, and the special account will be closed as of 31 October 2005. Remaining funds held in the special account, including further interest earnings, will be applied in accordance with Financial Regulation 6.3(b) and (c).
7. The amount to be distributed to Member States in accordance with Financial Regulation 6.3(b) and (c) will include EUR 238,742—the balance of the special account as at 30 September 2005—as well as the additional interest that is earned up until the special account is closed.
8. An overview of the special account indicating its financial performance is annexed hereto.

Annex:

Overview of the Special Account for the 2001 Cash Surplus to 30 September 2005

Annex

**OVERVIEW OF THE SPECIAL ACCOUNT FOR THE 2001 CASH SURPLUS
TO 30 SEPTEMBER 2005**

Item	Year			Total
	2003	2004	2005	
Opening balance (2001 cash surplus)				3,405,968
Interest earned	5,360	45,803	2,454	53,617
Less expenditure on tenure policy:				
Recruitment/appointment costs	18,316	366,158	7,920	392,394
Separation costs	550,877	61,991	-	612,868
Temporary-staff costs	-	115,261	-	115,261
Total expenditure on tenure policy	569,193	543,410	7,920	1,120,523
Less previously allocated amounts (C-9/DEC.12, dated 2 December 2004)				2,100,320
Balance as at 30 September 2005				238,742

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