



OPCW

Conference of the States Parties

Eighth Session
20 – 24 October 2003

C-8/DEC.19
24 October 2003
Original: ENGLISH

DECISION

WITHHOLDING OF THE DISTRIBUTION OF THE 2001 CASH SURPLUS

The Conference of the States Parties,

Mindful that a cash surplus of EUR 3,405,968 has arisen for the year 2001;

Cognisant that, in arriving at this figure, the Technical Secretariat has applied 2001 income in the amount of EUR 321,389 to liquidate the residual 2000 deficit;

Recalling the recommendation of the Executive Council (EC-M-22/DEC.1, dated 28 March 2003) to the Conference of the States Parties (hereinafter “the Conference”) that, in the event that projected costs for turnover in 2003 arising from the decision on tenure policy exceed the regular budget provision for turnover, the Conference should consider, at its Eighth Session, authorising the Director-General to use any cash surplus arising from 2001 to cover these additional costs;

Noting that, as a result of the tenure decision, costs arising from turnover in 2003 are expected to exceed the amount budgeted by at least EUR 1,355,000;

Noting further that, of this amount, only EUR 555,000 will be spent before the end of 2003, and that the remainder will be spent in 2004;

Noting further the need to make available at the start of 2004 EUR 250,000 for additional activities by the International Cooperation and Assistance Division (ICA), which will be replenished through efficiency savings in the course of 2004.

Hereby:

1. **Decides** to suspend, on an exceptional basis, the application of Financial Regulation 6.3 in respect of the allocation amongst States Parties of the cash surplus for 2001;
2. **Further decides** to withhold distribution of the cash surplus for the year 2001 and to apply this amount in the following manner;



3. **Authorises** the Director-General in respect of the 2001 cash surplus:
 - (a) to meet the above-mentioned unbudgeted costs associated with the implementation of the decision on tenure policy in 2003, which have to be paid in either 2003 or 2004. This sum is in addition to the costs of turnover included in the 2004 Draft Programme and Budget;
 - (b) to apply EUR 250,000, to be allocated at the start of 2004, to additional ICA activities which will be included in the baseline budget for 2004 and returned to the surplus by 31 December 2004 through efficiency savings;
 - (c) to retain any remaining surplus funds so that they can be used to ensure the implementation of the approved 2004 programme of work for inspections and ICA activities, in the event of significant changes in demilitarisation activity or of disruptions in Articles IV and V income, or to meet other exceptional needs that, if not addressed, would have an adverse effect on OPCW activities, subject to the prior approval by the Executive Council, which will submit a report to the Conference for its consideration.
4. For the above purposes, **approves** the establishment of a special account in accordance with Financial Regulation 6.9. The special account shall be operated on the following basis:
 - (a) The special account shall be financed from the withholding of the distribution of the 2001 cash surplus.
 - (b) The special account shall start operating from the date of approval by the Conference.
 - (c) The Director-General shall report to the Ninth Session of the Conference on the operation of the special account and shall make recommendations for a decision by the Conference on the future application of the balance.

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