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COMPENSATION COMMISSION
GOVERNING COUNCIL

Decision concerning the use of interest under decision 266 (2009) taken by the Governing Council of the United Nations Compensation Commission at its 170th meeting, on 12 November 2009

The Governing Council,

Recalling that under decision 258 (S/AC.26/Dec. 258 (2005)) the Secretariat has been directed to withhold the equivalent of fifteen per cent of the value of each participating Government's total awards that are subject to the Follow-up Programme in the Compensation Fund for release upon successful completion of the projects;

Recalling also that under decision 266 (S/AC.26/Dec.266 (2009)), the Secretariat has been directed to withhold the equivalent of an additional ten per cent of the value of those projects that are subject to the phasing plan requirement under decision 258 in the Compensation Fund;

Recalling further paragraph 7 of decision 266, which provides that while interest should accrue on the special accounts to be established by the participating Governments, its use shall be subject to a further decision of the Governing Council, in consultation with the participating Governments, expected to be taken at its sixty-eighth session;

Noting that the participating Governments have been consulted on their views on this issue;

1. Decides that interest accruing on the special accounts shall be added to the principal amounts maintained in the special accounts and used for the implementation of the environmental projects in accordance with decision 258;
2. Decides also that interest accruing on the funds withheld in the Compensation Fund under decisions 258 and 266 shall also be used for the implementation of the environmental projects in accordance with decision 258, and that such interest shall be transferred from the Compensation Fund to the special accounts established under decision 266 on an annual basis and pooled with interest accrued on special accounts under paragraph 1 above;
3. Directs the participating Governments to provide annual reports to the Secretariat on the accrual of interest in the special accounts;
4. Notes paragraph 1 of decision 18 (S/AC.26/Dec. 18 (1994)), which provides that Governments may offset their costs of processing claims by deducting a fee not greater than three per cent of the value of the awards, and recognizes that the participating Governments have applied decision 18 with respect to the administrative expenses associated with implementation of the environmental projects under decision 258 such that the three per cent is operating as a cap on those expenses;
5. Decides that paragraphs 1 and 2 shall be without prejudice to the ability of the Governing Council to decide, exceptionally, to authorize the use of certain interest amounts to meet administrative expenses that may exceed three per cent of the value of the awards where these expenses have been demonstrated by participating Governments to be necessary and appropriate;
6. Requests the Secretariat to transmit this decision to the participating Governments and to the UN Controller and to report back to the Governing Council at its next session on the status of implementation of this decision.
