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General Conference

FIRST SPECIAL SESSION

Agenda item N(iii)

REPORT OF THE BOARD OF GOVERNORS

Initial Financing of the Agency

Resolution Adopted During the 11th Plenary Meeting on 22 October 1957

ESTABLISHMENT OF THE WORKING CAPITAL FUND

The General Conference,

Considering that:

(a) The Agency will require funds, pending receipt of assessed contributions from Members, to finance its initial administrative expenses and to repay the monies borrowed from the United Nations to finance the Preparatory Commission and the first regular and special sessions of the General Conference;

(b) The Agency will similarly require funds to meet expenses in subsequent years before Members' contributions are received;

(c) The establishment of a Working Capital Fund is therefore desirable; and that

(d) A delay in payment by Members of advances to the Working Capital Fund and of their contributions may make it necessary for the Agency to borrow money to meet its initial expenses:

1. Resolves to establish a Working Capital Fund in accordance with the conditions set forth in appendix I to this resolution;
2. Requests Members to pay their advances to the Working Capital Fund and their assessed contributions as soon as possible; and
3. Authorizes the Board of Governors, if the need arises in the early stages, to obtain additional advances from Member States in accordance with appendix II to this resolution, for the sole purpose of building up the Working Capital Fund, pending receipt of regular advances and contributions from Members.

Appendix I

1. The amount of the Working Capital Fund shall be fixed at US \$2 million.
2. Each Member shall advance to the Agency an amount determined according to the scale fixed for the assessed annual contributions of Members to the administrative expenses of the Agency.
3. Advances by Members shall be assessed and paid in US dollars provided that payment of the whole or part of the advances may be made in such other currency as the Director General, in consultation with the Board of Governors, shall have determined.
4. Advances made by a Member shall be carried to the credit of that Member.
5. Adjustments shall be made in the scale of advances to the Working Capital Fund when changes are made in the scale of assessed contributions of Members to the administrative expenses of the Agency.
6. The annual contribution of each Member, other than any voluntary contribution, shall be credited in the first place to the Working Capital Fund and then to the amounts due from that Member as contributions to the Agency's administrative expenses in the order in which such amounts were assessed.
7. The purpose for which the Working Capital Fund may be used shall be defined in an annual resolution of the General Conference. In the period ending 31 December 1958, the Working Capital Fund may be used to repay the Agency's debt to the United Nations for monies borrowed to finance the Preparatory Commission and the first regular and special sessions of the General Conference and to finance approved administrative expenses pending the receipt of Members' contributions to such expenses. As Members' contributions are received, the Working Capital Fund shall be reimbursed.

Appendix II

The Board of Governors may, on behalf of the Agency, obtain additional advances from Member States not exceeding a total of US \$2 million to be paid into the Working Capital Fund established by this resolution, subject to the following conditions:

(a) No advance shall be obtained unless it is clear that funds otherwise available will be insufficient to meet essential administrative expenses;

(b) Advances shall be obtained only from Members of the Agency and/or the United Nations; and

(c) All advances shall be free of interest and shall be repaid as soon as sufficient regular advances to the Working Capital Fund are received and in any case not later than 31 December 1958.

