THE FINANCING OF SAFEGUARDS

REVISED ARRANGEMENTS FOR THE ASSESSMENT OF MEMBERS’ CONTRIBUTIONS TOWARDS THE AGENCY’S REGULAR BUDGET

The attached draft resolution entitled "Revised arrangements for the assessment of Members’ contributions towards the Agency's Regular Budget" has been prepared by the Secretariat at the request of the Board of Governors.
THE FINANCING OF SAFEGUARDS

REVISED ARRANGEMENTS FOR THE ASSESSMENT OF MEMBERS’ CONTRIBUTIONS TOWARDS THE AGENCY’S REGULAR BUDGET

Draft resolution

The General Conference,

(a) Recalling its resolutions embodying principles for the assessment of Members’ contributions towards the safeguards component of the Agency’s Regular Budget [1] and operative paragraph 2 of resolution GC(XXXVI)/RES/589,

(b) Having considered the Board’s recommendation in document GC(39)/23 concerning the arrangements for the assessment of Members’ contributions towards the safeguards component of the Agency’s Regular Budget for each of the years 1996 through 2000,

(c) Believing that the arrangements now being approved for the period 1996 through 2000 should not prejudge whatever may be decided during that period, and

(d) Taking note of the Board’s intention to continue its efforts to arrive at long-term arrangements for the financing of safeguards,

1. Establishes the following revised arrangements for the assessment of Members’ contributions towards the Agency’s Regular Budget, to be applicable for each of the years 1996 through 2000, to supplement those contained in resolutions GC(III)/RES/50 and GC(XXI)/RES/351 and to replace those which it approved by resolution GC(XXXVI)/RES/589:

(a) Each Member’s contribution towards the Agency’s Regular Budget shall comprise a non-safeguards component and a safeguards component, corresponding respectively to that Member’s assessment in respect of:

(i) non-safeguards expenses, which shall include all expenses required to be apportioned among Members in accordance with Article XIV.D of the Statute except safeguards expenses; and
(ii) safeguards expenses, which shall include all expenses relating to the Agency's safeguards activities.

(b) Non-safeguards expenses shall be borne by Members in proportion to their respective base rates of assessment calculated by application of the principles set forth in resolution GC(III)/RES/50, as amended by resolution GC(XXI)/RES/351.

(c) Safeguards expenses, after deduction of such amounts as are recoverable under agreements relating to safeguards between the Agency and parties to such agreements that are not Members of the Agency, shall be borne by Members as follows:

(i) each Member included in the list referred to in sub-paragraph (ii) below shall contribute an amount corresponding to one half of its base rate of assessment in respect of the safeguards component of the Regular Budget with the proviso that no such Member shall be obliged to contribute to any increase in the safeguards budget beyond zero real growth;

(ii) the list (hereinafter referred to as the "shielded" list), which shall be drawn up by the Director General (and be kept under review by the Board of Governors), shall comprise the Members - except the ten Members with the highest base rates of assessment and those Members which have notified the Director General that they do not wish to be included - having per capita net national products of less than one third of the average per capita net national product of the fifteen Members with the highest per capita net national products, the per capita net national products being identified by examination of the documents used by the Committee on Contributions of the General Assembly of the United Nations and the "shielded" list being reviewed and adjusted, if necessary, each time new documents on per capita net national products are made available by that Committee;

(iii) any Member not included in the "shielded" list shall contribute on the basis of a scale to be determined for the year in question by proportionately increasing its base rate of assessment in such a way that the total contributions of such Members make up the balance of the safeguards expenses; and

(iv) in the case of admission of a new Member of the Agency which is to be included in the "shielded" list referred to in sub-paragraph (ii) above, that Member shall contribute in the year its membership
becomes effective in accordance with the provisions set out in sub-
paragraph (i) above.

(d) Notwithstanding the provisions of sub-paragraph 1(c)(i) above, the following
transitional arrangements shall apply in order to mitigate the burden of
significant increases for Members having received partial relief under the
existing arrangements in respect of their assessments for the safeguards
component of the Regular

Budget: [2]

(i) for those Members which remain in the "shielded" list referred to in
sub-paragraph 1(c)(ii) above, the contributions shall be determined as
follows:

In each of the years 1996 through 1999 the contribution of each
Member will be calculated at half of its base rate and then compared
with its contribution for 1995. A portion of the resulting difference
will be incrementally added to the contribution for 1995, as follows:

\[
\begin{array}{l}
\text{in the first year (1996)} & \text{one fifth of the difference,} \\
\text{in the second year (1997)} & \text{two fifths of the difference,} \\
\text{in the third year (1998)} & \text{three fifths of the difference} \\
\text{in the fourth year (1999)} & \text{four fifths of the difference.} \\
\end{array}
\]

In the fifth year (2000), each Member included in the "shielded" list
will contribute its full share, i.e. in accordance with half of its base
rate.

(ii) for those Members which no longer qualify for inclusion in the
"shielded" list, the contributions shall be determined as follows:

In each of the years 1996 through 2004 the contribution of each
Member will be calculated in accordance with sub-paragraph 1(c)(iii)
and then compared with its contribution for 1995. A portion of the
resulting difference will be incrementally added to the contribution for
1995, as follows:

\[
\begin{array}{l}
\text{in the first year (1996)} & \text{one tenth of the difference,} \\
\text{in the second year (1997)} & \text{two tenths of the difference,} \\
\text{in the third year (1998)} & \text{three tenths of the difference,} \\
\text{in the fourth year (1999)} & \text{four tenths of the difference} \\
\text{in the fifth year (2000)} & \text{five tenths of the difference,} \\
\text{in the sixth year (2001)} & \text{six tenths of the difference,} \\
\end{array}
\]
in the seventh year (2002) - seven tenths of the difference,
in the eighth year (2003) - eight tenths of the difference and
in the ninth year (2004) - nine tenths of the difference.

In the tenth year (2005), each of those Members will contribute its full
share in accordance with sub-paragraph 1(c)(iii).

(e) These arrangements, applicable for each of the years 1996 through 2000, shall
be reviewed by the Board in 2000 at the latest.

2. Requests the Board, in conducting the review referred to in sub-paragraph 1(e), to
include consideration of changes in the contributions of "shielded" countries and other
relevant issues.

[1] GC(III)/RES/50, as amended by GC(XXI)/RES/351, GC(XV)/RES/283,
GC(XX)/RES/341, GC(XXIV)/RES/376, GC(XXVII)/RES/416,
GC(XXVIII)/RES/433, GC(XXIX)/RES/449, GC(XXX)/RES/462,
GC(XXXIII)/RES/512 and GC(XXXVI)/RES/589.

[2] See Table 2 in the Appendix to document GC(XXXVIII)/9.