

Unclassified**English/French****27 March 2020****COUNCIL****Council****REVISED RESOLUTION OF THE COUNCIL ON THE METHODOLOGY
FOR DETERMINING THE ASSESSED CONTRIBUTIONS OF MEMBERS
TO THE OECD NUCLEAR ENERGY AGENCY BUDGET**

[Adopted by the Council at its 1400th session on 19 September 2019 -
C/M(2019)13, Item 157]

JT03459145

THE COUNCIL

Having regard to paragraph 2 of Article 20 of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

Having regard to the Revised 2004 Principles and rules for determining the scales of contributions by Members other than for Part I of the Budget of the Organisation [Annex II to C(2008)144/REV1 and C/M(2008)19/PROV, Item 261] (hereafter the “Revised 2004 Principles”);

Having regard to the Technical Adjustment to the Rules Governing the Scales of Contributions [C(2014)92 and C/M(2014)9, Item 133];

Having regard to the proposal for a sustainable budget of the OECD Nuclear Energy Agency (hereafter the “NEA”) set out in document C(2012)154/REV1;

Having regard to the Resolution of the Council on the Methodology for Determining the Assessed Contributions of Members to the NEA Budget [C(2012)154/FINAL] and the proposal on its revision [C(2019)121];

Recognising that the underlying goal is to provide a sustainable budget financing solution that allows the NEA to fulfil its programme of work, maintain the level of its outputs and services in a manner responsive to Members’ needs and continue to address emerging priorities;

Recognising the uncertain economic environment in the coming years and that many Members are likely to face budgetary constraints;

Recognising that, in order to establish such a sustainable financing solution, the NEA will need to continue its efforts to achieve efficiency gains and the Members will need to prioritise outputs;

Recognising that the principles set out in this Resolution reflect the unique nature of the links between the NEA Programme of Work and the NEA Members’ nuclear programmes;

Recognising that all the rights of NEA Members, particularly their ability to participate in the Agency’s safety-related activities and discussions, irrespective of whether they possess an active nuclear programme or not, remain unaffected by the new methodology for determining the assessed contributions of Members agreed under this Resolution;

Recognising that relative economic size (capacity-to-pay) remains a fundamental element of the methodology for determining the assessed contributions of Members to the NEA budget.

On the proposal of the Steering Committee for Nuclear Energy:

I – AGREES to the following general principles:

1. Members undertake to provide a strong solution for the financing of a sustainable NEA Programme of Work and Budget.¹ This will require strict prioritisation by Members,

¹ See the Glossary of terms for the Financial Regulations for the definition of the term “Budget” [C(2008)92/REV1].

budget transparency, efficiency savings by the NEA² and the maintenance of the NEA regular budget at a level that avoids erosion of the NEA's resources and of its capacity to carry out a sustained programme of work.

2. In the framework of the methodology introduced by the present Resolution, Members' assessed contributions to the NEA shall be determined annually and be composed of:
 - i. a "first share contribution" taking into account capacity-to-pay; and
 - ii. a "second share contribution" comprised of various fees calculated each year on the basis of the "Direct Part II Budgeted Resources" and prorated "Overhead Charges paid to Part I" for Output Results related to safety, as specified in the NEA Programme of Work and Budget for the preceding financial period and detailed in paragraph 3 below.³ The numbering of the Output Results related to safety detailed in paragraph 3 below shall be revised upon decision of the Steering Committee for Nuclear Energy, if necessary.
3. The second share contribution shall comprise the total of the following fees:
 - i. all NEA Members shall pay a fee representing an equal share of 10% of the Direct Part II Budgeted Resources and prorated Overhead Charges paid to Part I for Output Result 1 in the preceding financial period;
 - ii. NEA Members having permanently shutdown nuclear power reactors⁴ shall pay a fee representing an equal share of 100% of the Direct Part II Budgeted Resources and prorated Overhead Charges paid to Part I for Output Result 5 in the preceding financial period;
 - iii. NEA Members having operational nuclear power reactors shall pay a fee representing a share of the Direct Part II Budgeted Resources and prorated Overhead Charges paid to Part I of safety-related Output Results in the preceding financial period for Output Results 1 to 6 which are not covered by the total fees referred to under sub-paragraphs i. and ii. For any such Member, this share shall be calculated using the number of operational nuclear power reactors situated in its territory in proportion to the number of operational nuclear power reactors situated in the NEA membership.⁵ The maximum fee that any NEA Member shall pay under this sub-paragraph shall be capped:

2 Efficiency savings by the NEA will continue to be identified independently from those for Part I.

3 The 'Direct Part II Budgeted Resources' are detailed by Output Results in the 'Part II Budget' in the NEA Programme of Work and Budget. The 'Overhead Charges paid to Part I' are added to the Direct Part II Budgeted Resources for each Output Result on a pro rata basis.

4 Identified every year using the International Atomic Energy Agency's Power Reactor Information System (IAEA/PRIS) published data available on 30 June of the preceding financial period. Nuclear power reactors in long-term shutdown are not included.

5 Identified every year using IAEA/PRIS published data available on 30 June of the preceding financial period.

- a. at KEUR 230 if a Member's average reference unit power⁶ is above 780 megawatts, corresponding to the average reference unit power of NEA Members for the financial period 2019;⁷ or
- b. at KEUR 90 if a Member's average reference unit power is equal or below 780 megawatts, corresponding to the average reference unit power of NEA Members for the financial period 2019.

The caps of KEUR 230 and KEUR 90 provided in subparagraphs 3(iii)(a) and 3(iii)(b) shall be reviewed every five years by the Steering Committee for Nuclear Energy and adjusted upon its decision, as appropriate. The average reference unit power of NEA Members provided in subparagraphs 3(iii)(a) and 3(iii)(b) shall be adjusted automatically every five years in line with the figures for the preceding financial period.

4. To determine the amount to be financed by the first share contributions, the amount of the NEA budget to be financed by assessed contributions shall be reduced by the total of second share contributions.
5. The first share contribution of each Member shall be calculated using the Revised 2004 Principles. However, in relation to paragraph 1 h) of these principles, the cap and the floor shall be adjusted respectively to 24.25 % and 0.097%.
6. The total assessed contribution of any Member shall not increase by more than 10% year on year.
7. The total assessed contribution of any Member shall not decrease by more than 1% year on year.

II – FURTHERMORE AGREES to the following additional elements:

1. Shortfalls resulting from the application of the limitation on increases provided for under paragraph 6 of Section I shall be redistributed to NEA Members, except to those to which this limitation has applied. Excesses resulting from the application of the limitation on decreases provided for under paragraph 7 of Section I shall be redistributed to NEA Members, except those to which this limitation has applied. These redistributions shall be made using the scale for the calculation of the first share contribution adjusted to exclude the shares of those NEA Members not participating in the relevant redistribution.
2. The methodology agreed to under this Resolution is specifically conceived and uniquely applicable to the NEA and shall not be considered as a precedent in the context

6 'Reference unit power' is defined as the maximum (electrical) power, expressed in units of megawatt, that could be maintained continuously throughout a prolonged period of operation under reference ambient conditions. The average reference unit power of any Member shall be calculated using the sum of reference unit power for all operational nuclear power reactors in its territory divided by the total number of such power reactors and shall be rounded to the nearest integer. The reference unit power shall be identified every year using IAEA/PRIS published data available on 30 June of the preceding financial period.

7 The 'average reference unit power of NEA Members' shall be set at the average of the individual average reference unit power of NEA Members having operational nuclear power reactors on their territory and shall be rounded to the nearest ten.

of the financing arrangements for other Part II programmes, or international organisations.

3. The total assessed contributions of any future NEA Member shall be determined in accordance with this Resolution and the NEA Budget shall be increased accordingly. In the same way that the NEA budget shall be adjusted upwards for the accession of future NEA Members, it shall be adjusted downwards upon the withdrawal of an NEA Member.
4. The application of this Resolution is confined to the NEA budget only, noting in particular that the determination of assessed contributions to NEA Data Bank budget shall remain governed by the Revised 2004 Principles.