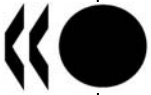


**Unclassified**

**C/MIN(2008)6/FINAL**



Organisation de Coopération et de Développement Économiques  
Organisation for Economic Co-operation and Development

**11-Jun-2008**

**English/French**

**COUNCIL**

**C/MIN(2008)6/FINAL**  
**Unclassified**

**Meeting of the Council at Ministerial Level, 4-5 June 2008**

**RESOLUTION OF THE COUNCIL ON THE FINANCING OF PART I OF THE BUDGET OF THE ORGANISATION**

**(adopted by the Council at Ministerial Level on 5 June 2008)**

**JT03247644**

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**English/French**

**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 *Principles and rules for determining the scales of contributions by Members to the Budget of the Organisation* [Annex I to C(2003)263];

**Recalling** the conclusions of the Council meeting at ministerial level of 16 May 2007 [C/MIN(2007)4/FINAL] and those of Council at its meeting of 15 October 2007 [C/M(2007)14];

**Recognising** that the underlying goals of the reform are, in the context of enlargement, to provide a lasting solution for the financing of Part I of the Budget and to create a strong and sustainable financial foundation for the Organisation;

**Recognising** that such a foundation is needed to support the Organisation's influence, relevance and excellence, to ensure a continued delivery of its core activities, to permit a broader and deeper engagement with major non-Members and to allow the Organisation to continue to address emerging priorities;

**Recognising** that, in order to establish such a foundation, the Organisation will need to continue its efforts to achieve efficiency gains and the Members will need to prioritise outputs;

**Recognising** that all Members should contribute to achieving this strong and sustainable financial foundation;

**Recognising** however that the contributions of some current Members will be within the limits of paragraph 7 of Section I;

**Recognising** that the new financing system should be sustainable in the long term;

**Recognising** that the Council decides the level of the Part I Budget of the Organisation as part of the biennial Programme of Work and Budget process;

## THE COUNCIL

**I - AGREES** to the following general principles:

1. Members undertake to provide a strong and sustainable financial foundation for the Organisation, both now and in the long term, that will allow it to maintain at least the quality and volume of outputs, while adapting to changing priorities. This will require strict prioritisation by Members, budget transparency, efficiency savings by the Organisation and maintenance of the real level of Part I Budget resources taking into account the rate of inflation<sup>1</sup>.
2. Members' assessed contributions to the Part I Budget will be determined annually and be composed of an element taking into account capacity to pay (hereafter the "principal contribution") and a base fee.
3. The base fee for each Member will result from the equal sharing among all Members of 30% of the Part I Budget funded by Members' assessed contributions.

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1. Zero real growth in the OECD Budget is generally regarded as zero nominal growth adjusted for host country inflation.

4. The total amount to be paid as base fees by all Members will be deducted from the Part I Budget in order to determine the amount of the Part I Budget to be financed by the principal contributions.
5. The principal contribution of each Member to Part I of the Budget will be determined using the current formula,<sup>2</sup> modified as follows:
  - a. The \$875 per capita abatement (PCA) will be capped at a population of 110 million inhabitants;
  - b. The minimum share adjustment (MSA) will be reduced annually by 20%, starting from 2010.
6. The total assessed contribution of any Member will not increase by more than 15% year on year. Each Member will have the possibility to forego this mitigation measure at any time.
7. The total assessed contribution of any Member which was a Member on the date of adoption of this Resolution will not increase by more than 300% as a result of this reform, compared to the amount of its contribution in 2008 adjusted in line with nominal increase in the Part I Budget. Should this limit be reached by any such Member, its assessed contribution will however continue to be adjusted in line with the nominal increase in the Part I Budget.

**II – AGREES** that there will be a phase-in period of 10 years which will start on January 2009 (hereinafter the “phase-in period”) during which the following provisional measures will apply:

1. For countries which were Members on the date of adoption of this Resolution:
  - a. The phasing-in of the base fee will be implemented in 10 annual equal steps, so that, subject to mitigation, the fully implemented base fee is achieved in January 2018.
  - b. The total assessed contribution of any such Member will increase by at least 0.3% compared with its previous year’s total assessed contribution. This 0.3% minimum increase would be abated where there is a relative decrease in a Member’s share in the scale used for determining the principal contributions due to a decline in a Member’s share of total Members’ GNP.
2. Upon their joining the Organisation and throughout the phase-in period:
  - a. The total assessed contributions of Chile, Estonia, Israel, and Slovenia will be fixed at MEUR 2.4 each and that of the Russian Federation at MEUR 4.6 and the Part I Budget will be increased accordingly.
  - b. These contributions will be adjusted to take into account nominal increases in the Part I Budget over this phase-in period.

These contributions will be added to the total amount of base fees used in calculating the amount of the Part I Budget to be financed by the principal contributions, as referred to in paragraph 4 of Section I above.

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2. See the *Principles and rules for determining the scales of contributions by Members to the Budget of the Organisation* [Annex I to C(2003)263].

**III - FURTHERMORE AGREES** to the following additional elements:

1. No further changes to the financing system for Part I of the Budget will be introduced for at least the 10 year phase-in period.
2. In the context of the undertaking set out in paragraph 1 of Section I regarding the maintenance of real levels of resources, if in any given year, the growth in the agreed Part I Budget falls short of the rate of inflation in the host country,<sup>3</sup> all varying components<sup>4</sup> will be fixed at the level they achieved in the preceding year. Their progression would resume in the year in which the Part I Budget grows at a rate at least equal to host country inflation<sup>5</sup>. The phase-in period will be extended by the length of the suspension period.
3. At the end of the phase-in period, the new financing system will apply in full except:
  - a. For those countries still subject to mitigation under paragraph 6 of Section I, this measure will continue until the mitigation amount reaches zero.
  - b. For those countries which are affected by the minimum increase under paragraph 1.b of Section II, this provision will continue to apply until their complement reaches zero.
4. Given the uniqueness of the OECD, the reform of the financing of the Part I Budget agreed to under the Resolution shall not be considered as a precedent in the context of the financing arrangements for other international organisations.
5. The application of this Resolution is confined to the Part I Budget only.

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3. Measured as a three-year moving average of inflation defined under footnote 1, comprising the two preceding years and the projection for the current year.

4. These are the MSA and the base fee.

5. See footnote 3.