

**FINANCIAL PROTOCOL ANNEXED TO THE CONVENTION FOR THE
ESTABLISHMENT OF A EUROPEAN SPACE RESEARCH ORGANISATION**

Opened for signature with the parent convention
14 June 1962

Entered into force with the parent convention
20 March 1964

Superseded by the Convention for the Establishment of a European Space Agency
30 October 1980

The States parties to this Protocol,

Being Parties to the Convention for the establishment of a European Space Research Organisation, hereinafter referred to as "the Convention" and "the Organisation" respectively, signed at Paris on 14 June 1962,

Desiring to make provision for the financial administration of the said Organisation,

Have Agreed as follows:

**ARTICLE I
BUDGET**

1. The financial year of the Organisation shall run from the first of January to the thirty-first of December.
2. The Director-General shall, not later than the first of September in each year and taking into account the provisions of Article III, circulate to the Member States a Draft Budget for the following financial year.
3. The Draft Budget shall be examined by the Administrative and Finance Committee established under Article IV of this Protocol and then transmitted to the Council with the Committee's report thereon.

4. The Council shall adopt the Budget before the beginning of each financial year.
5. Estimates of income and expenditure shall be divided under general headings. Transfers between these general headings shall not be permitted except by authority of the Administrative and Finance Committee.

ARTICLE II REVISED BUDGET

The Council may require the Director-General to present a revised budget if circumstances make it necessary. No decision involving additional expenditure shall be deemed to be approved by the Council until it has approved an estimate submitted by the Director-General of the additional expenditure involved.

ARTICLE III FORWARD BUDGETING

1. As soon as possible after the entry into force of the Convention, the Council shall, by a two-thirds majority of all Member States, determine the level of expenditure for each year of the first three-year period within the agreed figure for that period.
2. For succeeding three-year periods the Council shall, by the same majority, in the year preceding each such period, determine the level of expenditure for each year within the figure determined in accordance with the provisions of Article X. 4 (c) of the Convention.

ARTICLE IV ADMINISTRATIVE AND FINANCE COMMITTEE

The Council shall establish an Administrative and Finance Committee composed of representatives of all Member States in order "inter alia" to fulfil the functions specified in the Financial Rules of the Organisation.

ARTICLE V CONTRIBUTIONS

1. For the period from the entry into force of the Convention to the thirty-first of December following, the Council shall make provisional budgetary arrangements, which shall be met by contributions as provided for in section (1) of the Annex to this Protocol.

2. For the two ensuing financial years approved budget expenditure shall be met by contributions which shall be assessed in the same proportions as the percentage figures set out in Section (2) of the Annex to this Protocol.
3. For subsequent financial years, approved budget expenditure shall be met by contributions as provided for in Article XII. 1 (b) of the Convention.
4. When any State not named in the Table of the Annex to this Protocol becomes a party to the Convention after the thirty-first of December following the date of the entry into force of the Convention, the contributions of all Member States shall be reassessed on the basis of the statistics for the years used in the existing scale and the new scale shall take effect on a date to be decided by the Council. Reimbursements shall be made, if necessary, to ensure that the contributions paid by all Member States for the current year are in conformity with the decision of the Council.
5. (a) The Administrative and Finance Committee shall in consultation with the Director-General determine the terms on which payments in respect of contributions shall be made consistently with the proper financing of the Organisation.

(b) The Director-General shall thereafter notify Member States of the amount of their contributions and of the dates on which payments shall be made.

ARTICLE VI CURRENCY OF CONTRIBUTIONS

1. The budget of the Organisation shall be expressed in accounting units defined by 0.88867088 grams of fine gold.
2. Each Member State shall in principle pay its contribution in its own currency. It shall, nevertheless, pay a part or the whole of its contribution in any currency which the Organisation may need for the execution of its tasks, if the Director-General so requests according to the provisions of Article V. 5.

ARTICLE VII WORKING CAPITAL FUND

The Council may by a unanimous decision of all Member States, establish a Working Capital Fund.

ARTICLE VIII
ACCOUNTS AND AUDITING

1. The Director-General shall keep an accurate account of all receipts and disbursements.
2. The accounts for the total receipts and expenditure shall be examined by an Audit Commission. The Council shall decide by a two-thirds majority which Member States (ensuring a reasonable basis of rotation) shall be invited to nominate, from the senior officials of their countries, auditors to serve on this Commission, and shall appoint by the same majority, from among the national nominations, a Chairman of the Commission for a period not exceeding three years.
3. The purpose of the auditing, which will take place on the basis of relevant documents and, if necessary, within the premises of the Organisation, shall be to verify that the expenditure has conformed with the provisions made in the Budget and that the records are lawful and correct. The Commission shall also report on the economic management of the Organisation's financial means. At the end of each financial year the Commission shall draw up a report, which shall be approved by the majority of its members and thereupon transmitted to the Council.
4. The Audit Commission shall furthermore discharge such other functions as are set out in the Financial Rules approved by the Council.
5. The Director-General shall furnish the auditors with such information and help as they may require to carry out their duties.

In Witness whereof, the undersigned representatives, having been duly authorised thereto, have signed this Protocol.

Done at Paris, this fourteenth day of June nineteen hundred and sixty-two, in the English and French languages, both texts being equally authoritative, in a single copy, which shall be deposited in the archives of the Government of France, which shall transmit certified copies to all signatory and acceding States.

ANNEX (1)

CONTRIBUTIONS FOR THE PERIOD ENDING ON THE THIRTY-FIRST OF
DECEMBER FOLLOWING THE ENTRY INTO FORCE OF THE CONVENTION.

- (a) The States which are parties to the Convention on the date of its entry into force, together with any other States which may become parties to it during the period ending on the following thirty-first of December, shall between them contribute the whole of the sums required by such provisional budgetary arrangements as the Council may make under Article V 1. of this Protocol.
- (b) The contributions of the States, which are parties to the Convention when the Council first makes such provisional budgetary arrangements, shall be provisionally assessed on the basis set out in Article V2. subject to the provisos mentioned in Article XIII. (b) of the Convention.
- (c) The contributions of the States which become parties to the Convention during the period between the first occasion on which provisional budgetary arrangements have been made and the following thirty-first of December, shall be provisionally assessed in such a manner that the relative proportions between the provisional contributions of all Member States are the same as between the percentage figures set out in section (2) of this Annex. Such contributions will serve either, as provided for in paragraph (d) below, to subsequently reimburse part of the provisional contributions previously paid by the other Member States, or to meet additional budgetary appropriations approved by the Council during that period.
- (d) The final contributions due for the period ending on the thirty-first of December following the entry into force of the Convention from all the States which are parties to the Convention on that date, shall be retroactively assessed after that date on the basis of the total budget for the said period, so that they shall be those which they would have been if all these States had become parties to the Convention on the date of its entry into force. Any sum paid by a Member State in excess of its contribution thus retroactively assessed shall be placed to the credit of that Member State.
- (e) If all the States specified in the scale set out in section (2) of this Annex have become parties to the Convention before the thirty-first of December following the entry into force of the Convention, their percentage contributions to the total budget for that period shall be those set out in that scale. (2) Scale to serve as a basis for the assessment of contributions during the period to which Article V 1. and 2. of this Protocol refers.

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Percentages

Austria.	1.99
Belgium.	4.21
Denmark.	2.10
Federal Republic of Germany.	21.48
France.	18.22
Italy.	10.64
Netherlands.	4.04
Norway.	1.60
Spain .	2.53
Sweden.	4.92
Switzerland.	3.27
United Kingdom of Great Britain and Northern Ireland.	25.00
Total	100.00