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ORGANISATION EUROPÉENNE POUR LA RECHERCHE NUCLÉAIRE
CERN EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH

HUNDRED-AND-SECOND SESSION OF COUNCIL

Geneva - 23 June 1995

JAPANESE CONTRIBUTION TO THE LHC

JAPANESE CONTRIBUTION TO THE LHC

1. Having collaborated very successfully in experiments at CERN for many years, Japanese physicists have expressed considerable interest in the LHC project, and physicists from twelve Japanese institutions have signed the ATLAS proposal. For its part, the CERN Council has expressed the hope that Japan, and other non-Member States whose physicists will make substantial use of the LHC, would make contributions to speed up and improve the project.
2. Following constructive and fruitful discussions between the Japanese Ministry of Education, Science and Culture (Monbusho) and the CERN Management, the Japanese Government has offered, in a letter from Monbusho dated 25 May 1995 (**Annex I**) to contribute to the LHC project a sum of 5 billion yen (approximately 68 MCHF), during the Japanese fiscal year 1995-1996 (1 April to 31 March).
3. The Director-General has welcomed this generous offer and, after consultation with the President of Council and with his agreement, in a letter dated 30 May (**Annex II**) accepted it in principle, subject to Council's approval, on terms previously discussed with Monbusho.
4. On the CERN side, the Japanese proposal now calls for two actions: i) approval by Council of the Director-General's letter, and ii) the setting-up, in conformity with the Japanese request, of a "Japanese Fund-in-Trust for the LHC Programme" in which this contribution will be deposited.

The Japanese Proposal

5. The proposal contains three major aspects: i) it entrusts to CERN an amount of 5 billion yen to be devoted to the construction of specific parts of the LHC; ii) it requests that these resources be put in a special Fund, to be established by CERN and accounted separately from CERN's budget; iii) it asks CERN to take the relevant steps for the implementation of the proposal.

CERN's Acceptance

6. CERN's response to this offer proposes: i) a commitment by CERN to create and manage under its responsibility a "Japanese Fund-in-Trust for the LHC Programme" for the deposit of the Japanese contribution, the purpose of the Fund being to speed up and improve the LHC project; ii) a procedure for defining projects to be implemented by means of these resources, and for their ratification by Monbusho; iii) that the use of interest produced by the investment of the available funds should be decided by the Parties; iv) that CERN should report to Monbusho on the projects implemented and the management of the Fund.

Council Approval

7. In accordance with Article VIII of the Convention, Council is asked to confirm acceptance of the Japanese offer on the terms given in the Director-General's letter. The relevant majority is two-thirds of all the Member States. Once approved by Council, Monbusho's letter and the Director-General's reply will constitute an international Agreement between CERN and Japan.

Creation of the Japanese Fund for the LHC

8. Creating the required Fund is within the competence of Council on the basis of the CERN Convention, in particular Article V, 2 (g), of Article 6 of the Financial Protocol annexed to the Convention, and of the Financial Rules. Finance Committee should also give its recommendation to Council on this matter. Council's approval of this proposal is subject to a simple majority of the Member States present and voting (Article V, 5 of the Convention).

Resolution

9. Considering the importance of this contribution for the future of LHC, it is proposed that the decisions required by the acceptance of the Japanese offer be dealt with in a Resolution, the draft of which (Annex III) is submitted to Finance Committee for recommendation to Council for approval.

MINISTRY OF EDUCATION, SCIENCE AND CULTURE (MONBU-SHO)

2-2, Kasumigaseki 3-Chome, Chiyoda-ku, Tokyo, 100 Japan

Telephone: 81-3-3581-4211

Cable Address: MONBUKYOIKU

25 May 1995

Sir,

I have the honour to inform you that the Japanese Ministry of Education, Science and Culture (Monbusho), in accordance with relevant laws and regulations of Japan, intends to entrust to CERN an amount of five billion (5,000,000,000) yen, in the form of a Fund-in-Trust for the construction of the specific parts of the LHC machine and specific activities related to it, during the 1995 Japanese fiscal year (1 April (1995) - 31 March (1996)).

Monbusho wishes that this fund should be accounted separately from that of the CERN's regular budget.

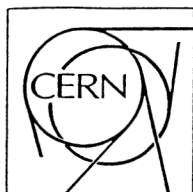
I should be grateful, therefore, if you could kindly take the necessary steps to draw up the principles in accordance with which CERN intends to establish and implement the mentioned above.

Please accept, Sir, the assurances of my highest consideration.



Masayuki Inoue
Director
International Scientific Affairs Division
Monbusho

Professor Christopher H. Llewellyn Smith
Director General
European Organization for Nuclear Research



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Mr Masayuki Inoue
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JAPAN

Geneva, 30th May 1995

Dear Mr Inoue,

THE JAPANESE FUND-IN-TRUST FOR THE LHC PROGRAMME

I have the honour to acknowledge receipt of your letter dated 25th May 1995 informing us of the intention of the Japanese Ministry of Education, Science and Culture (hereinafter referred to as "Monbusho") to entrust a sum of five billion (5,000,000,000) yen to CERN in its 1995 fiscal year, in accordance with relevant laws and regulations in Japan, in the form of a Fund-in-Trust for the construction of specific parts of the LHC machine and specific activities related to it.

I have pleasure in accepting the generous offer of Monbusho and accordingly inform you that, subject to confirmation by the CERN Council in June 1995, CERN intends to utilise the sum in conformity with the following arrangements:

1. Monbusho will deposit the sum referred to above in a CERN account to be set up by CERN exclusively for the receipt and administration of this sum (hereinafter referred to as "the Account").
2. CERN will establish the "Japanese Fund-in-Trust for the LHC Programme" (hereinafter referred to as "the Fund") for the receipt and administration of the sum referred to above.
3. The Fund will be used to speed up and improve the LHC project by undertaking the construction of specific parts of the LHC machine and related activities.
4. Within the framework stipulated in the above paragraphs, CERN will prepare project proposals and submit them to Monbusho for ratification, specifying the costs of their implementation.

CERN

Geneva, 30th May 1995

5. In order to implement the project proposals submitted to and approved by Monbusho in accordance with paragraph 3 above, CERN will enter into the necessary arrangements, including the conclusion of contracts and payment thereof, in accordance with rules and regulations governing the use of this Fund, to be drawn up by CERN and agreed with Monbusho.
6. Whenever a specific proposal is ratified by Monbusho, CERN will draw against the sum deposited in the Account the requisite funds for direct project costs in accordance with the approved project budget.
7. CERN will invest any available funds in interest-bearing bank deposits. Interest will be credited to a separate account, to be used by mutual agreement between CERN and Monbusho. Such deposits and the interest account will be regarded as part of the Account.
8. CERN will record all advances and expenditures made in connection with the administration of the Fund.
9. Upon completion of a project, or as soon as possible, but not later than twelve months thereafter, CERN will provide Monbusho with a final financial statement of Account, and a report on the project containing an assessment of its results. CERN will, upon request, provide Monbusho with an interim statement of the Account.
10. In addition to the statement and the report referred to in paragraph 9 above, CERN will provide Monbusho annually with a report on the projects implemented within the framework of these arrangements, containing an assessment of the results achieved.
11. Monbusho and CERN will consult each other about the use of any remaining unspent balance of the Fund.
12. The terms and conditions of these arrangements will, if necessary, be modified by an exchange of letters between Monbusho and CERN.
13. The present arrangements may be terminated either by CERN or by Monbusho with one year's notice in writing.

I should be grateful if you would let me know at your earliest convenience whether Monbusho has any objection to the foregoing.

Please accept, Sir, the assurances of my highest consideration.

Yours sincerely,



C H Llewellyn Smith

DRAFT RESOLUTION

THE COUNCIL,

CONSIDERING

The long-lasting and fruitful scientific co-operation between Japan and CERN,

The offer of Japan to contribute financially to the LHC project,

CONSIDERING ALSO

The Convention, in particular its Article V, 2 (g), Article 6 of the Financial Protocol annexed thereto and CERN's Financial Rules;

Article 1

ACCEPTS with gratitude the offer of the Japanese Government, expressed in its letter dated 25 May 1995 (Annex I), "to entrust to CERN an amount of 5 billion yen, in the form of a Fund-in-Trust, for the construction of the specific parts of the LHC machine and specific activities related to it during the 1995 Japanese fiscal year (1 April 1995-31 March 1996)."

Article 2

APPROVES the acceptance of this offer as set out in the letter from the Director-General to Monbusho (Annex II) and **DECIDES** to create a "Japanese Fund-in-Trust for the LHC Programme" in accordance with the same letter.