
68th

GENERAL CONFERENCE

CSC Expansion:
Member States' Insight on Joining
a Global Nuclear Liability Regime

Co-sponsored by the IAEA and the United States of America,
together with Argentina, Canada, Ghana, India, Japan, Lithuania,
Morocco, Romania, and the United Arab Emirates

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ESPACE M01, M Building, First Floor

Questions and Answers
on the Convention on Supplementary
Compensation for Nuclear Damage (CSC)

What is the Convention on Supplementary Compensation for Nuclear Damage (CSC)?

Adopted in 1997 under the auspices of the IAEA and entering into force in 2015, the CSC provides the basis for the global nuclear liability regime called for in the IAEA Action Plan on Nuclear Safety and the last thirteen IAEA General Conferences to-date. The CSC establishes the legal framework for determining who is liable for nuclear damage, how much compensation is available, and who may receive such compensation, in the event of a nuclear incident at a nuclear installation in a State Party to the CSC or during the transport of nuclear material to or from such an installation. Further, it ensures prompt, adequate, equitable and assured compensation for damage to persons, property and the environment in the event of a nuclear incident.

The CSC currently covers approximately 180 nuclear power reactors worldwide, or 43% of such reactors. As a free-standing instrument, the CSC offers all countries the means to become part of the global nuclear liability regime, whether or not they are party to the Paris or the Vienna Conventions on nuclear liability.

Why is a global nuclear liability regime based on the CSC important?

Concerns about nuclear liability must be addressed to the satisfaction of the public, operators, suppliers, investors, lenders and insurers before any new nuclear project can go forward. The CSC addresses these concerns and thus is essential to achieving the full potential of nuclear power to contribute to decarbonization, economic development and energy security.

Why should a country introducing nuclear power for the first time join the CSC?

The CSC provides a national and international legal framework that: (1) builds public confidence in the use of nuclear power by ensuring prompt and equitable compensation for potential victims; (2) facilitates international trade and nuclear energy cooperation by promoting treaty relations among all countries in which potential operators, suppliers, investors, lenders and insurers may be located; (3) increases supply chain confidence; and (4) creates an improved investment climate for new nuclear projects, including potentially reducing the cost of capital for new projects.

What are the key benefits of CSC membership?

- **Legal Certainty:** The CSC provides certainty for the operators of nuclear installations, suppliers, investors, lenders, insurers and potential victims in the event of a nuclear incident. Such certainty is necessary for public acceptance, international cooperation and commercial participation in nuclear projects. This certainty is achieved by requiring all CSC Parties to follow common legal rules, including: channelling all legal liability exclusively to the operator; imposing strict liability on the operator; granting exclusive jurisdiction to the courts of a single country (usually the country where the nuclear incident occurs); and mandating equal treatment of all victims wherever they are located.
- **Assured Compensation:** The CSC provides prompt, adequate, equitable and assured compensation to victims, with minimal or no litigation, which tends to be prolonged and expensive. It also grants access to a supplementary international compensation fund.

- **Public Trust:** The CSC encourages public trust and acceptance by reflecting a State's commitment to a comprehensive and proactive approach to nuclear safety by having a strong mechanism in place to compensate for nuclear damage, if efforts to prevent, respond to, and mitigate the effects of a nuclear incident should fail.
- **Exclusive Jurisdiction:** The CSC ensures that only the State in which a nuclear incident occurs has the authority to make legal decisions, thereby preventing multiple lawsuits across different jurisdictions and expediting the claims handling process.

Why should countries with no nuclear reactors join the CSC?

Countries with no nuclear reactors, particularly those whose neighbouring countries have such reactors, are likely to have a strong interest in the provisions of the CSC that ensure, in the unlikely event of a nuclear incident, that their citizens would receive prompt and adequate compensation, with minimal or no litigation and other burdens, for any cross-border nuclear damage, such as environmental harm or health impacts, and that their citizens are treated equally to the citizens of the country having jurisdiction over the nuclear incident.

Importantly, the citizens of such a country would benefit from having access to the CSC's supplementary international fund, which is only available for damage in CSC Parties. Consequently, by not joining the CSC, such a country would deprive its citizens of access to this additional compensation.

Why should coastal States join the CSC?

For coastal States, the CSC offers compensation for a broad range of damage that could result from a nuclear incident involving a ship carrying nuclear material in its maritime waters (including in the Exclusive Economic Zone). In particular, the court of the coastal State would have exclusive jurisdiction over claims for nuclear damage. The court would determine the extent of nuclear damage covered in accordance with its national law. For example, the court would determine whether its national law offered protection for subsistence fishermen or coastal tourism. This court can call upon other CSC Parties to provide their contributions to the supplementary international fund, should nuclear damage exceed the first-tier amount of funds. Since most claimants will likely be situated in that coastal State, joining the CSC would avoid the need to submit claims in foreign courts under foreign laws.

Which countries are currently Party to the CSC?

Currently, 11 countries from 6 continents are Parties to the CSC. These include those with nuclear power reactors, namely Argentina, Canada, India, Japan, Romania, United Arab Emirates and the USA, as well as those with no nuclear power reactors, namely Benin, Ghana, Montenegro, and Morocco.

In addition, the CSC currently has 11 Signatories that have yet to become a Party. These are Australia, Czech Republic, Indonesia, Italy, Lebanon, Lithuania, Mauritius, Peru, Philippines, Senegal and Ukraine.

How is compensation handled under the CSC?

In the unlikely event of a nuclear incident, the CSC provides prompt, adequate, equitable and assured compensation for nuclear damage, available with minimal or no litigation, which tends to be prolonged and expensive.

The CSC establishes two layers of compensation. The first layer comes from the liable operator that must have insurance or other financial security to ensure the availability of at least 300 million Special Drawing Rights as defined by the International Monetary Fund to compensate damage. If this is not sufficient, the CSC's supplementary international fund would provide additional compensation. This fund is established by contributions of the CSC Parties collectively, with over 95% coming from Parties with nuclear reactors.

Parties with no nuclear reactors will contribute relatively small amounts to the supplementary international fund. Parties with no nuclear reactors on the minimum United Nations rate of assessment are not required to make any contribution.

The requirement to contribute to the supplementary international fund is a contingent obligation that comes into effect if, and only if, there is a nuclear incident with nuclear damage that exceeds the first-layer amount. A party does not have to set aside money for the fund upfront in advance of a nuclear incident.

Since most of the contributions are based on installed nuclear capacity, the size of the fund will grow as more reactors are covered by the CSC.

If a nuclear incident occurs, how much we would have to contribute to the supplementary international compensation fund?

The IAEA's on-line CSC calculator can be used to run hypothetical scenarios to determine potential contribution amounts:



What assistance is available to help us understand more about the CSC?

The IAEA can support awareness and understanding of the CSC by decision-makers, policymakers and parliamentarians, as well as other officials. The IAEA can also review draft and enacted legislation on nuclear liability and provide training on all areas of nuclear law including the CSC.

Further information on the CSC
can be found here:



Information on IAEA assistance
can be found here:



For more information contact the IAEA Office of Legal Affairs:
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