



GC

International Atomic Energy Agency

# GENERAL CONFERENCE

GC(XXX)/COM.5/OR.47  
February 1987\*

GENERAL Distr.  
ENGLISH

For official use only

THIRTIETH REGULAR SESSION: 29 SEPTEMBER-3 OCTOBER 1986

## COMMITTEE OF THE WHOLE

### RECORD OF THE FORTY-SEVENTH MEETING

Held at the Neue Hofburg, Vienna,  
on Tuesday, 30 September 1986, at 3.15 p.m.

Chairman: Mr. de la BARRE d'ERQUELINNES (Belgium)

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[\*] A provisional version of this document was issued on 21 October 1986.

[\*\*] GC(XXX)/789.

The composition of delegations attending the session is given in document  
GC(XXX)/INF/238/Rev.4.

THE AGENCY'S PROGRAMME AND BUDGET FOR 1987 AND 1988

CONVENTION ON THE PHYSICAL PROTECTION OF NUCLEAR MATERIAL (GC(XXX)/COM.5/43 and Add.1) (continued)

1. The CHAIRMAN recalled that, at the close of the previous meeting, the Committee had been dealing with the draft resolution contained in document GC(XXX)/COM.5/43. Informal consultations had been held since then and he understood there was a consensus that the Committee should recommend to the General Conference that it adopt the draft resolution, with operative paragraph 3 reading as follows:

"Requests the Director General to report to the General Conference at its next regular session on the signature and ratification status of the Convention."

He also understood there was a consensus that the Committee should recommend to the General Conference that it request the Director General to place the following item on the provisional agenda for the thirty-first regular session:

Status and implementation of conventions for which the Agency is a depositary

- (a) Convention on the Physical Protection of Nuclear Material
- (b) Convention on Early Notification of a Nuclear Accident
- (c) Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency.

2. Mr. CARREA (Argentina) said that his delegation had not taken part in the consultations referred to by the Chairman. Document GC(XXX)/COM.5/43 concerned the Convention on the Physical Protection of Nuclear Material, which had nothing to do with the agenda item (The Agency's programme and budget for 1987 and 1988) now being considered by the Committee; the same applied to the two other conventions mentioned by the Chairman. Furthermore, the matter had not been referred to the Committee by the General Conference. His delegation held the procedure being followed in the Committee to be entirely irregular and could not therefore join in the consensus.

3. Mr. HAWAS (Egypt) expressed some hesitation about the proposed inclusion of sub-items (b) and (c) in the provisional agenda for the next regular session of the General Conference. A resolution had been passed by the General Conference at its special session in which the Conference had

requested the Board of Governors to report on the implementation of the two conventions in question, and there seemed to be a danger of duplication. His delegation was prepared to accept the draft resolution as originally set out in document GC(XXX)/COM.5/43.

4. Referring to document GC(XXX)/COM.5/43/Add.1, he noted that Egypt had erroneously been included as one of two additional co-sponsors and asked that a corrigendum be issued.

5. Mr. BETTAUER (United States of America) said he understood that, in an effort to streamline the agenda for the current session of the General Conference, a decision had been taken not to include an item relating to the Convention on the Physical Protection of Nuclear Material in the provisional agenda, it being understood that matters pertaining to the Convention would be discussed under item 10. The objective of the wording of operative paragraph 3 of the draft resolution contained in document GC(XXX)/COM.5/43 was therefore to ensure that there was a separate agenda item on the Convention at the next session of the General Conference. However, his delegation was ready to support the proposals read out by the Chairman since it seemed logical to have one agenda item under which the Director General could report to the Conference on the status and implementation not only of the Convention on the Physical Protection of Nuclear Material but also of the two conventions adopted at the special session the previous week.

6. Mr. CARREA (Argentina) agreed in principle that the Secretariat should report to the Conference on the status of conventions for which the Agency was a depositary. What he could not accept, however, was the procedure being employed at the Conference's current session. The Committee had no authority to examine any matter until the General Conference had referred it to the Committee.

7. Mr. HAWAS (Egypt) said the agenda for the next session of the General Conference was not the primary concern of the Committee but rather of the Board of Governors, which would discuss that subject in June 1987.

8. Mr. MORALES (Cuba) said that the simplest solution would be for the Committee to endorse the draft resolution contained in document GC(XXX)/COM.5/43 without any amendment and, at the same time, to make a

recommendation to the General Conference that an item covering the two conventions approved the previous week at the special session be included in the agenda of the next regular session of the General Conference.

9. Mr. ZOBOV (Union of Soviet Socialist Republics) supported the proposals read out by the Chairman.

10. The CHAIRMAN suggested that, in order to save time, further consideration of the matter be suspended until delegations had had an opportunity to examine the written version of the proposals which he had read out.

11. It was so agreed

#### THE FINANCING OF SAFEGUARDS (GC(XXX)/786)

12. The CHAIRMAN said that the Board of Governors had examined the question of the financing of safeguards the previous week and had decided that the arrangements applicable to the assessment of Member States' contributions to the safeguards component of the Agency's Regular Budget should continue for the years 1987, 1988 and 1989. The Board's report was to be found in document GC(XXX)/786, which contained a draft resolution recommended for adoption by the General Conference.

13. Mr. MORALES (Cuba) recalled that the financing of safeguards had been under discussion for several years and that proposals had been put forward by Venezuela, the United States and Belgium, in documents GOV/2181, 2182 and 2222 respectively. In the past year a group of countries had made strenuous efforts to draw up a new proposal which might serve as the starting point for wider negotiations, the main objective being to find a solution acceptable to all concerned. Those efforts were reflected in a paper which the Chairman of the Board had prepared and distributed, containing a proposal which would resolve the question but which had not yet received sufficient support to ensure its subsequent implementation. Since the same applied to the three other proposals he had just mentioned, there was now no choice but to extend the existing arrangements for financing safeguards for a further period. In view of the complexity of the question, the period of extension

should be at least three years, during which the Chairman of the Board could continue to make efforts with the help of various countries to find a compromise solution.

14. In seeking a compromise solution, the following elements must be taken into account: (a) participation of all countries without exception in the financing of safeguards; (b) determination of States' capacity to pay, using the economic indicators and data which were most appropriate and were commonly accepted within the United Nations - and, on that basis, establishment of the level of contributions to the safeguards budget (due account being taken of the external debt of developing countries); (c) establishment of a list of countries which, in accordance with the principles set forth under (b), would be required to make only a token contribution to the financing of safeguards, it being understood that in any case the total amount would not exceed a level to be set in an appropriate manner and for a given period, such period to be agreed upon by the parties concerned; (d) freezing for a period to be agreed upon of the formula adopted and of the contributions of the countries included in the list mentioned under (c); (e) review of the formula at the end of the agreed period in order to make any adjustments needed, such adjustments being based solely on economic criteria; (f) application of the currently approved scale used for assessing the level of each country's contribution to the United Nations budget as the basis for determining each State's share of the safeguards budget, taking into account the procedure outlined under (c); (g) the principle that beneficiary countries should have the choice of remaining on the list; (h) the principle that the shares of countries removed from the list referred to under (c) should, after the necessary adjustments had been made, be subject to gradual increase. He noted that the list of elements to be taken into account was not definitive.

15. If such a compromise solution were not acceptable and if it proved impossible to extend the application of the existing arrangements, then his delegation could approve the proposal submitted by Venezuela or any other proposal which included the principle that the contribution of developing countries to the safeguards programme should not increase.

16. Mr. HAUSTRATE (Belgium) regretted that the efforts undertaken to find a solution to the question of the financing of safeguards had been unsuccessful. The draft resolution proposed by his delegation in document GOV/2222 did not differ in substance from the proposals of Venezuela or the United States, but it did include an additional element.

17. The situation had not changed since the time his delegation had submitted its draft resolution to the Board. Thus, it could be seen from Tables 5 and 6 of the Safeguards Implementation Report for 1985 (GOV/2243) that there had been a 16% increase in the number of significant quantities of safeguarded nuclear material for non-nuclear-weapon States, as opposed to 13% for nuclear-weapon States. Furthermore, paragraph 104 of that document indicated that safeguards implementation in nuclear-weapon States remained very disappointing. Despite the fact that the number of installations under safeguards was small and that only one of them was sensitive, the inspection goal had been attained in only one State. The particularly heavy burden on non-nuclear-weapon States resulting from the application of safeguards and the very small proportion of civil facilities under safeguards in nuclear-weapon States fully justified Belgium's position on safeguards financing. Until a rationalization of the safeguards system led to a reduction in the costs of safeguards implementation for countries which had to bear an exceptionally heavy financial burden, and until a comprehensive safeguards system for the civil nuclear facilities of all countries had come into being, the gap that existed between the two categories of State would only widen and become more and more unacceptable. His delegation's proposal in document GOV/2222 would thus remain highly relevant.

18. It was therefore a matter of regret to his delegation that the existing arrangements were apparently to continue for three years. The extension for such a long period of a provisional solution could only distract the attention of the Board from the need to find a lasting one. Every effort should be made to find a solution soon.

19. Mr. RODRIGUEZ-CEDEÑO (Venezuela) said that various proposals, including one submitted by his delegation which enjoyed considerable support within the Group of 77, had been discussed in the past year by the Board of Governors, but that unfortunately no consensus had emerged. The economic

problems and high indebtedness of many developing countries made it difficult to find a solution. Any decision to modify the existing arrangements should be based on realistic and fair criteria and should take account of States' real capacity to pay and factors such as their nuclear capacity and level of development. His delegation was ready to co-operate in efforts to find a solution, but for the time being it supported the draft resolution contained in document GC(XXX)/786. The period of three years should be sufficient to create the conditions required for a modification but might not be sufficient for a final solution to be found.

20. Mr. CEJNAR (Czechoslovakia) reaffirmed his country's support for the Agency's safeguards system. He regretted the failure of efforts within the Board of Governors to find a lasting formula for the financing of safeguards based on the principle that all Member States should contribute to the financing of safeguards since safeguards were in the interests of all. Under the circumstances his delegation supported extending the existing arrangements until 1989, on the understanding that the Board would resume consultations on the matter immediately after the General Conference's session.

21. Mr. ZADOR (Hungary) said that safeguards were of vital importance for the peaceful use of nuclear energy, the promotion of which was the principal objective of the Agency. Since safeguards were in the interests of all countries, they should be financed by all Member States. His delegation considered the proposal made by the Chairman of the Board to be an equitable solution to the problem. It was unfortunate that that proposal had not been acceptable to Member States and that the Conference was again being asked to extend the provisional arrangements now in force. His delegation reluctantly agreed to the draft resolution set out in document GC(XXX)/786, though it considered three years to be an excessively long period.

22. Mr. MELIBARY (Saudi Arabia) said that, although it did not have any significant nuclear activities, Saudi Arabia was having to contribute increasing amounts to the safeguards budget. The General Conference should be asked to modify the existing arrangements for financing safeguards so that the major burden fell upon the industrialized countries, which conducted diverse nuclear activities and had the capacity to pay.

23. Mr. IMMONEN (Finland) said that safeguards were one of the most important activities of the Agency. It was self-evident that all Member States should participate in the financing of safeguards. Their contributions should be in proportion to their ability to pay. While his delegation accepted that Member States with low national incomes should be given some relief, it objected to a scheme which froze contributions at an artificial level and took no account of changes in States' financial capacities. His delegation was prepared to endorse the draft resolution contained in document GC(XXX)/786 as a provisional measure to allow more time for a better solution to be found. Consultations should, however, be resumed at the earliest possible opportunity.

24. Mr. MAHMOUD (Iraq) recalled that, to the accompaniment of steady and unwarranted increases in the safeguards budget, the Board and the General Conference had been discussing the financing of safeguards for many years. Any solution to that question should be based on fair, logical and equitable criteria for the sharing of costs, taking into account the situation of developing countries and their ability to pay. The lion's share of the safeguards budget should be contributed by those countries which possessed nuclear installations. Efforts made by the Board to solve the problem had been unsuccessful and under those circumstances his delegation could agree to the extension of the existing arrangements for a further three years.

25. Mr. METZGER (Federal Republic of Germany) said that his Government would have welcomed an agreement on revised arrangements for the assessment of Members' contributions as a result of the consultations held pursuant to resolution GC(XXIX)/RES/449. Since no agreement had been reached, his delegation agreed that the present arrangements should continue to be applicable for the next three years and was able to endorse the draft resolution in document GC(XXX)/786.

26. When the consultations mentioned in that draft resolution took place, his Government would once again emphasize that the solution would need to contain three main elements. First, it would have to reflect the common responsibility of all Member States for the proper functioning of safeguards.



Secondly, some relief would have to be given to Member States which were not able to pay their full share. Thirdly, it would have to be a long-term and flexible solution.

27. His Government considered that the proposal submitted by the United States delegation in document GOV/2182 best met those requirements and believed that it should be possible to find a reasonable and generally acceptable formula on the basis of that proposal.

28. Mr. BAMSEY (Australia) said that safeguards were essential for every Member State whether they had nuclear activities under safeguards or not, and that all Member States had an interest in maintaining the level of confidence in the continued peaceful uses of nuclear energy provided by the Agency's safeguards system. Safeguards were an indispensable part of international security. Without safeguards, significant international co-operation in nuclear energy would be impossible, and that applied not only to nuclear power but to the whole range of non-power applications as well. Consequently, all States should contribute to the cost of safeguards on an equitable basis.

29. It was therefore very unfortunate that it had not been possible to agree on a formula for sharing safeguards costs equitably among Member States. The current arrangements were out of date. The formula on which they were based had never been equitable and was becoming more inequitable with every year.

30. In his view the changes proposed following consultations held by the Chairman of the Board, and reflected in the paper which she had distributed on the subject, would have been very modest indeed. They would still not have brought about an equitable sharing of the costs of safeguards, but the sharing would have been at least somewhat less inequitable than under the present arrangements; some States would have had to pay more than they did now, but only a small amount more. The argument that for some countries the increase in payments would worsen their debt problems lacked credibility.

31. In any case, neither that proposal nor others that had been made would have ended the system of giving relief to countries with a limited capacity to pay. The principle of taking that capacity into account was - and rightly so - firmly entrenched in United Nations practice.

32. Subject to that principle, there were four elements which Australia believed should be reflected in any new arrangements. First, all Member States should contribute in accordance with their capacity to pay, and there should be no distortion for other reasons. Secondly, the system should be dynamic, so that countries could move from one category to another if their capacity to pay changed. Thirdly, the system must provide for growth in the size of the contributions of all Member States together, since the costs of safeguards would continue to increase and it was wrong that only certain Members should have to pay more as a consequence. Fourthly, the system should be a permanent one, or as near to permanent as possible. That meant that it must be sufficiently flexible to accommodate changes without requiring renegotiation.

33. In view of the disappointing failure of Member States to agree on new arrangements, there was no alternative but to continue with the present arrangements for some time. When negotiations on the subject recommenced, Australia would argue vigorously in favour of arrangements along the lines he had mentioned. Anything less would be unfair to States which paid a larger share of safeguards costs than they should, and would also run counter to fundamental notions about the common responsibilities of the members of international organizations.

34. Mr. LAMPARELLI (Italy) said that his delegation endorsed the proposal originally submitted in the Board by the delegation of Belgium. In connection with the draft resolution in document GC(XXX)/786, his delegation had reservations about a three-year extension of the present arrangements. Although he accepted that time would be needed in order to work out a compromise solution, it was his delegation's hope that two years would be enough.

35. Mr. de KLERK (Netherlands) said it was disappointing that the Board had not been able to agree on the reasonable proposals for the financing of safeguards made by its Chairman; despite the failure to secure agreement, she was to be commended on her efforts. The arrangements eventually accepted should be clear, simple, fair and dynamic, and the proposals made by the Chairman of the Board met those requirements.

36. He associated himself with the views expressed by the representatives of Australia and the Federal Republic of Germany about the general principles to be applied in the financing of safeguards. He hoped that the existing differences of view could be eliminated and that a consensus would emerge in the near future. In any case, the present arrangements should be extended for at most two years.

37. Mr. BARTELL (United States of America), commending the Chairman of the Board on her efforts to find a formula for the financing of safeguards, regretted the fact that consensus had not been reached on such a formula.

38. In the circumstances, his delegation was prepared - although reluctantly - to agree that the existing arrangements for the financing of safeguards should continue until 1989 inclusive. Meanwhile, efforts should be directed towards achieving a consensus on a comprehensive, long-term solution based on criteria specified by the United Nations General Assembly, to be put into effect in 1990.

39. Mr. CHAUDHRI (Pakistan) said it was clear that some long-term solution was needed, if only to avoid having to discuss the problem year after year. Pakistan accepted the principle that all Member States should contribute to safeguards, even if their contributions represented merely token support. The amount contributed should be in line with the capacity of a country to pay.

40. Despite the valiant efforts of the Chairman of the Board of Governors, it had not been possible to agree on any of the various proposals that had been put forward. Pakistan was therefore in favour of an extension of the present arrangements for a further three years.

41. Mr. JANOWSKI (Poland) associated himself with those who had spoken in favour of all countries contributing to the financing of safeguards; the Agency's safeguards system constituted, after all, a well-tried instrument for improving international confidence and security and for promoting the peaceful uses of nuclear energy. Poland was thus in favour of the proposal which had been submitted in the Board by the United States of America. His delegation associated itself, moreover, with the statements of the representatives of Czechoslovakia and Hungary, and felt that, if it were not possible to agree on a shorter extension of the current arrangements for the financing of safeguards, a three-year extension would be acceptable.

42. Mr. TSUKADA (Japan) said that the Agency's safeguards system was essential for bringing about the climate of confidence needed for promoting the peaceful uses of nuclear energy. It benefited all nations committed to the cause of nuclear non-proliferation. Japan therefore believed that all Member States should share its costs in accordance with their relative ability to pay.

43. Accordingly, the present arrangements for the financing of safeguards should be reviewed and a new and more durable formula, ensuring a more equitable sharing of the burden among Member States, should be agreed upon at the earliest opportunity.

44. That basic position notwithstanding, his delegation accepted that it was not yet possible to find a new formula acceptable to all and that the present arrangements would therefore have to be retained for the time being.

45. Mr. LAVINA (Philippines), associating himself with the statement by the representative of Pakistan, supported the draft resolution in document GC(XXX)/786.

46. Mr. SOLTANIEH (Islamic Republic of Iran) said that the current arrangements for the financing of safeguards were based on the realization that many developing countries had very small nuclear programmes and also a limited capacity to pay for safeguards, and that they should therefore not be excessively burdened with safeguards costs. His delegation believed that all Member States should support the Agency in its statutory role of ensuring the safe and peaceful uses of nuclear energy, which implied the application of Agency safeguards, provided that the system operated in the best and most efficient manner possible and that safeguards were implemented on an equal basis in all Member States.

47. Commending the Chairman of the Board on her attempts to find a long-term solution, he said that his delegation supported the draft resolution in document GC(XXX)/786 and would co-operate fully in the search for a fair and workable system for the financing of safeguards.

48. Mr. STORHAUG (Norway) said that his delegation supported the draft resolution in document GC(XXX)/786, although without enthusiasm. It accepted the draft resolution because it took into account the important principle of participation by all Member States in the financing of safeguards.

49. Norway agreed that all countries should contribute according to their capacity to pay. That principle was, however, so diffuse that a more specific criterion was needed. The present arrangements were unsatisfactory, and his delegation believed that the United States proposal was preferable to a continuation of those arrangements.

50. The CHAIRMAN, noting that there were no further comments, took it that the Committee wished to recommend the General Conference to adopt the draft resolution in document GC(XXX)/786.

51. It was so decided.

SCALE OF ASSESSMENT OF MEMBERS' CONTRIBUTIONS FOR 1987 (GC(XXX)/783)

52. The CHAIRMAN said that, if there were no objections, he would assume the Committee wished to recommend the General Conference to adopt the draft resolution in document GC(XXX)/783.

53. It was so decided.

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXX)/779, GC(XXIX)/RES/452, GC(XXV)/RES/388)

54. The CHAIRMAN, noting that document GC(XXX)/779 contained a report by the Board of Governors pursuant to resolution GC(XXIX)/RES/452, adopted by the General Conference in 1985, drew the attention of the Committee to paragraph 6 of the report, in which the Board agreed to continue its efforts directed towards the implementation of General Conference resolution GC(XXV)/RES/388, adopted in 1981.

55. Mr. HAWAS (Egypt) said there appeared to be general agreement among Member States that technical assistance was one of the Agency's principal functions; by means of the Technical Assistance and Co-operation Fund (TACF) the Agency had enabled developing countries to benefit from transfers of modern technology for the peaceful utilization of nuclear energy.

56. Resolution GC(XXV)/RES/388, adopted by the General Conference in 1981, was of key importance in relation to the financing of technical assistance. Egypt had participated actively in the process leading up to the adoption of that resolution and wished to pay tribute to the staunch efforts of a number of countries to put its provisions into effect; that had involved, among other things, the application of a system of indicative planning figures (IPFs). In the past, Egypt had supported the system of IPFs and would continue to do so if it took adequate account of the need to ensure that sufficient funds were provided for technical assistance on a predictable and reliable basis. He also wished to thank all countries which had contributed to the funding of footnote-a/ projects in Egypt and other recipient countries.

57. His delegation, together with those of Iraq and Mexico, had prepared a draft resolution which they would be circulating; its text was similar to that of resolution GC(XXIX)/RES/452, adopted by the General Conference the previous year.

58. Mr. MORALES (Cuba) noted that the financing of technical assistance had been on the agenda of the Committee of the Whole for the past five years. Two distinct points of view had emerged. One group of Member States believed that all technical assistance activities of the Agency should be financed from the Regular Budget in order to ensure that the supply of funds was reliable and predictable; they were strengthened in that view by the fact that technical assistance was one of the Agency's main programmes and had a powerful influence on the promotion of the peaceful uses of nuclear energy. A second group of countries, while understanding the motives which prompted the first group to favour funding from the Regular Budget, believed that the common aim could best be met by means of a system of indicative planning figures (IPFs) and by respecting and retaining the system of voluntary contributions.

59. Cuba belonged to the latter group, but he wished to emphasize that his Government's support for the IPF system had so far been based on the fact that there had been significant increases in the level of the resources in the TACF.

60. In order to ensure that the system continued to meet the needs of the majority of Member States and thus continued to enjoy their support, certain conditions had to be met. First, there must be a systematic and real increase in funds allocated to technical assistance. Secondly, the extent to which the requests of countries were met should be increased constantly, so that eventually all technically sound projects received adequate funds. Thirdly, all countries should pledge voluntary contributions at least in accordance with the Secretariat's recommendations, i.e. in proportion to their base rate of assessment. Fourthly, all countries should honour their pledges in full, especially the main donor countries.

61. In addition, all recipient countries had the right to receive, without any discrimination, all possible assistance with the development of their peaceful nuclear programmes, irrespective of whether they had or had not acceded to certain treaties which did not constitute part of the foundations on which the Agency was built.

62. Finally, the Secretariat should immediately analyse any discrepancies existing between different countries in the allotment of resources under the technical assistance programme with a view to making the corresponding adjustments.

63. Mr. WATERFALL (Canada), noting that Canada provided significant support for Agency technical assistance and considered it an essential activity of the Agency, stated that his country had made its contribution for 1986; he was confident that it would continue to do so in the future.

64. However, Canada had serious reservations about the rate of increase foreseen in the IPFs. In view of the very much slower rates of growth in the financial resources of his Government, it was difficult to see how such a rate of increase could be sustained.

65. Turning to the programme itself, he said, first, that the TACF should be used more for fellowships, training and expert services and less for equipment. Secondly, his Government was in favour of focusing on selected

target groups, more emphasis being placed on the role of women in development. Thirdly, higher priority should be attached to food and agriculture and to health and medicine. Fourthly, more attention needed to be paid to meeting the needs of the continent of Africa. Finally, the efficiency and effectiveness of programme management and delivery should be improved further. Canada supported the evaluation system, which could help to improve overall performance as measured by the implementation rate.

66. Mr. MAHMOUD (Iraq) noted that technical assistance was one of the Agency's main tasks, by means of which the Agency promoted the peaceful uses of nuclear energy and also gave some real impetus to economic development in developing countries.

67. However, because of the manner in which it was financed, technical assistance was not as effective as it could be, and developing countries were concerned about the fact that technically sound projects were sometimes not fully or not adequately and reliably funded. It was important to find a workable solution which made funding predictable; his delegation believed that financing from the Regular Budget would be the best means of meeting the increasing demand for technical assistance in developing countries and would assist the Agency to comply with its statutory obligations.

68. In that connection, he stressed that resolution GC(XXV)/RES/388 represented the basis for the financing of technical assistance and requested that the Director General pay close attention to its implementation. He noted, finally, that his delegation was a co-author of the draft resolution mentioned by the representative of Egypt.

69. Mr. BARTELL (United States of America) reiterated his Government's position on the financing of technical assistance - namely, that the IPF system had worked exceptionally well. On the basis of that system, the funds provided for technical assistance projects had tripled since 1980, far surpassing the growth rate of the Regular Budget over the same period.

70. Agreement had been reached on IPFs giving an increase of 12% per annum for the years 1987 to 1989 inclusive. The Agency would thus be able to plan its technical co-operation programmes over the next few years and remain



confident that the necessary resources would be available. That was an excellent illustration of the validity of the IPF system and its ability to provide a predictable and assured basis for the financing of technical assistance. Nevertheless, extremely difficult funding constraints confronting many Governments indicated the need for realistic expectations about any future growth in that area.

71. Mr. NEAMU (Romania) said that, in view of the special role, importance and effectiveness of the Agency's technical assistance, the funds available for that activity should increase sufficiently to satisfy the ever-increasing needs of recipient countries.

72. Appreciating as it did the Agency's activities in technical assistance and the results it had achieved, Romania wished to support the technical assistance programme proposed for 1987.

73. Mr. IMMONEN (Finland) said that his delegation regarded the present system for the financing of technical assistance, which was based on voluntary contributions and the use of indicative planning figures, to be the best solution.

74. His Government had already pledged a voluntary contribution proportionate to its base rate of assessment for the year 1987.

75. Mr. BAMSEY (Australia) said that the present system of financing technical assistance had produced a rate of increase in funds far in excess of that which would have resulted if technical assistance had been financed from the Regular Budget. Even though it was not reasonable to expect that current growth rates could be maintained indefinitely, that remained a good argument - from the point of view of recipients - for continuing with the present system. Zero real growth would have to be the criterion applied to the Agency's Regular Budget for some time. Thus, while that situation prevailed, the financing of technical assistance from the Regular Budget would not serve the interests of recipient countries.

76. Moreover, there was a further, equally strong argument against the financing of technical assistance from the Regular Budget. Technical assistance in multilateral organizations was always provided on a voluntary

basis. Australia - and perhaps most other countries - provided funds for technical assistance out of its budget for general development assistance, all of which was disbursed on a voluntary basis. Australia considered that argument to be an important one.

77. He noted that the Technical Assistance and Co-operation Fund (TACF) was not the only source of technical assistance in the nuclear field. Within the Agency, extrabudgetary assistance was already considerable and was, moreover, increasing. Assistance was also provided through various other bilateral and multilateral mechanisms. For example, in the last twelve months, Australia had been involved in support for regional training courses in subjects ranging from hospital radiopharmacy to State systems of nuclear materials accounting and control; in the provision of places for scientists from developing countries in many fields as IAEA fellows and scientific visitors to Australia; on the funding of Regional Co-operative Agreement (RCA) projects in the region of Asia and the Pacific, notably in food irradiation; and in the provision of technical experts to advise on or assist with training in developing countries. In its support of technical assistance activities, Australia continued to give preference, where possible, to countries that had acceded to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

78. The Agency, he noted in conclusion, had a remarkable record in the financing of technical assistance; financing from the Regular Budget would not improve it.

79. Mr. HAUSTRATE (Belgium) said that his Government supported zero growth and limitations on expenditure and had not been in favour of a 12% annual increase in indicative planning figures; the IPS system in general represented a kind of covert obligation and exerted a form of moral pressure which could undermine the voluntary nature of contributions to technical assistance. On the other hand, Belgium welcomed the increase in the Technical Assistance and Co-operation Fund (TACF) and encouraged efforts to find a reliable and predictable method of collecting funds for technical assistance.

80. Under a proposal which his delegation had made to the Board the previous year only countries mentioned in United Nations General Assembly resolution 1995 (XIX) should be eligible to receive Agency technical

assistance. Acceptance of that proposal would make available an additional 20% of the TACF for countries that were genuinely developing.

81. Belgium was one of the five countries which made the largest contributions to technical assistance - measured as a percentage of gross national product - and development co-operation had always been an important aspect of its foreign policy. Nevertheless, it was necessary for technical assistance to remain voluntary, and his delegation reserved the right not to accept indicative planning figures for future years and to decide on its position each year as appropriate.

82. Mr. AGUILERA ACEVEDO (Chile) recalled that the Agency's technical assistance programme was at present financed largely by voluntary contributions based on indicative planning figures. It was his delegation's opinion, however, that funding should be provided through the Regular Budget, because the IPF system relying on voluntary contributions did not provide an adequately secure source of finance. Indeed, Annex IV of document GC(XXX)/INF/234 showed that, of US \$26 million pledged for 1985, only some US \$16 million had been paid by 31 December of that year - a shortfall of some 40%. That was because some countries had not contributed at all while others had not contributed their full share of the target. Such shortfalls meant that many worthwhile projects were not implemented, which was to be regretted as the Agency's technical assistance and co-operation programmes were of great importance for developing countries.

83. Despite the reservations implicit in his remarks, however, Chile would pay its contribution for 1987.

84. Mr. ABOUTAHIR (Morocco) shared the opinion of those who considered that the indicative planning figure system was an effective means of financing technical assistance and co-operation and had genuinely increased the funds available for those purposes; however, his delegation felt that the system could only be a stop-gap measure because its voluntary nature made it incompatible with the provisions of resolution GC(XXV)/RES/388. Morocco therefore called upon Member States to find a lasting solution; the Agency's technical assistance and co-operation activities after all had the dual aim of promoting the peaceful uses of nuclear energy and securing the non-proliferation regime, and thus constituted a cornerstone of the Agency's mandate.

85. Mr. CHAUDHRI (Pakistan) recalled that resolution GC(XXV)/RES/388 had called for the necessary measures to be taken so that technical assistance could be funded either from the Regular Budget or from some other comparably predictable and assured resources. While his delegation considered that the IPF system had brought about a commendable increase in resources, it was unable to accept that option as more than an interim measure, noting as it did that on average only 80% of the overall IPF-based target for the period 1981-85 had been met.

86. His delegation therefore supported a continued examination of the problem in the spirit of resolution GC(XXV)/RES/388 with a view to finding a definitive solution, and the possibility of funding from the Regular Budget was not to be ruled out.

87. Mr. SOLTANIEH (Islamic Republic of Iran) said that his country considered the Agency's technical assistance and co-operation programme to be extremely important and that the policy of zero growth in the Regular Budget was singularly unfortunate, jeopardizing as it did the Agency's activities. The problem was how to ensure that adequate financial contributions were forthcoming from major donors. His delegation was of the opinion that, in the funding of technical assistance, the key words were "assured" and "predictable"; technical co-operation should thus be funded from the Regular Budget.

88. Mr. ADEBARY (Nigeria) said that the Agency's assistance in ridding his country of the menace of the tsetse fly and of its detrimental effects on food production and human health had been of immense value, and looked forward to greater Agency involvement in Nigeria's proposed food irradiation programme.

89. In the light of Nigeria's experience, his delegation would favour an increase in expenditure by the Agency in favour of developing countries, which required technical assistance of all types from the Agency. It was his delegation's opinion that technical assistance should be funded from an assured source, as development was one of the chief aims of the Agency.

90. Mr. SOLANO (Mexico) joined with others in expressing his delegation's concern that no solution had been found to the problem of funding technical assistance through the Regular Budget; the IPF system was, however, a useful compromise and - for the time being - an adequate solution.

91. Mexico was concerned by the zero-growth policy. Coupled with a steady drop in the funds available from other multilateral sources, such as UNDP, that policy had increased the number of footnote-a/ projects, which required extrabudgetary support on a bilateral basis and were thus subject to the selection criteria of the donating countries; that implied an unacceptable application of value judgements; it was far preferable that the Agency should have the means to finance such projects multilaterally and on an objective basis. The Mexican delegation was thus of the opinion that the Agency's Technical Assistance and Co-operation Fund should be consolidated with the Regular Budget.

92. Mr. ROBOTHAM (Jamaica) concurred with the view, expressed by delegations from both developed and developing countries, that technical assistance was one of the fundamental tasks of the Agency in promoting the peaceful utilization of nuclear energy. He joined with other speakers in calling for full implementation of resolution GC(XXV)/RES/388, and accordingly welcomed the Board's readiness to continue its efforts in that direction.

93. Mr. BASSOY (Turkey) said that for his delegation the financing of technical assistance through the Regular Budget was a matter of principle. Technical assistance was after all, as resolution GC(XXV)/RES/388 recognized, one of the major functions of the Agency, quite on a par with safeguards; and safeguards, as everyone knew, were funded through the Regular Budget - a predictable and assured resource in the sense of the resolution. The voluntary nature of the system at present in force rendered it insufficiently predictable and assured, and it was his delegation's hope that a speedy solution would be found to the problem.

94. The CHAIRMAN said that, if there were no further speakers, he would suggest that the Committee suspend its deliberations on the financing of technical assistance until it could consider a draft resolution on the subject.

95. It was so agreed.

THE AGENCY'S PROGRAMME AND BUDGET FOR 1987 AND 1988

CONVENTION ON THE PHYSICAL PROTECTION OF NUCLEAR MATERIAL (GC(XXX)/COM.5/43, 43/Add.1, 43/Add.1/Corr.1 and 43/Add.2) (resumed)

96. The CHAIRMAN, noting that a written version of the proposals read out by him earlier in the meeting had now been circulated, asked whether the Committee wished to recommend to the General Conference that it adopt the draft resolution contained in document GC(XXX)/COM.5/43 with operative paragraph 3 amended as indicated in the circulated text and whether it wished to recommend the Conference to request the Director General to include in the agenda for the next session of the General Conference an item with the title he had read out.

97. It was so agreed.

98. Mr. CARREA (Argentina) reiterated his delegation's reservations of a procedural nature concerning the introduction of a draft resolution unrelated to any of the items on the Conference's agenda as adopted.

99. The CHAIRMAN said that he would convey the views of the Argentine delegation to the General Conference.

STAFFING OF THE AGENCY'S SECRETARIAT (GC(XXX)/782)

100. The CHAIRMAN recalled that, in resolution GC(XXIX)/RES/453 of 1985, the General Conference had requested the Director General to report annually on the continuing implementation of resolution GC(XXV)/RES/386. The Director General's report was contained in document GC(XXX)/782.

101. Mr. HAWAS (Egypt) commended the Director General for the efforts he had made, since 1981, to increase the number of staff from developing countries. Nevertheless, the representation of developing countries, particularly at the senior and policy-making levels, remained inadequate, and his delegation therefore urged the Director General to continue to strive for a better balance. Recent progress in developing countries meant that trained personnel existed there on whom the Agency could draw. That being so, Egypt, along with Iraq and Mexico, had submitted a draft resolution, contained in document GC(XXX)/COM.5/47, which it suggested the Committee should recommend to the General Conference for adoption.

102. Mr. CHAUDHRI (Pakistan) said that his delegation had analysed with interest the statistical data provided in document GC(XXX)/782 and welcomed the further small increase in the representation of the Group of 77 in the Agency's Secretariat; the increase was from approximately 22% of all Professional staff in 1985 to 23% in 1986.

103. His delegation urged the Director General to continue to take measures aimed at implementing resolution GC(XXIX)/RES/453, so that the number of staff at all levels from developing countries would be appropriately increased. It was very much to be hoped that the situation would further improve over the next two to three years. His delegation believed that developing countries, which after all constituted nearly two thirds of the Agency's membership, should provide at least a third of the Agency's staff, particularly as the availability of technically competent personnel from those countries was no longer a constraint; a goal of one third of the Agency's staff could not be construed as over-ambitious.

104. Mr. BARTELL (United States of America) said that the United States continued to welcome the Director General's efforts pursuant to resolution GC(XXIX)/RES/453 aimed at increasing the number of staff from developing countries employed in the Agency's Secretariat. However, Members should not lose sight of their common interest in a strong and effective Agency, and the Statute, in Article VII.D, set out the paramount goal - namely, "to secure employees of the highest standards of efficiency, technical competence, and integrity". The United States delegation strongly urged that that goal be vigorously pursued, given the special nature of the Agency, which had its mandate in a field of unique technical complexity and significance for international security; the Agency's record had been good, and therefore the criterion of excellence should continue to be applied.

105. In situations where individuals had comparable qualifications of the highest order, however, it was appropriate to give weight to other factors which might contribute to achieving the aims of the Agency and of the international community. His delegation was of the opinion that the Secretariat had done a good job in weighing such factors. The United States, for its part, continued to believe that more women should be appointed to

senior positions in the Secretariat, where they were at present poorly represented. Although approximately 20% of the United States nationals in Professional posts were women, it was to be noted that the percentage for Member States as a whole was only about 10%. The Secretariat and Member States should therefore devote greater efforts to recruiting women for responsible positions in the Agency.

106. Mr. MORALES (Cuba) noted from Annex I to document GC(XXX)/782 that, over the year ending in September 1986, there had been an increase of 11 (from 574 to 585) in the number of Professional posts subject to geographical distribution and that of the additional 11 posts 9 had gone to the Group of 77 - in other words approximately 82%. The Director General was to be commended for that improvement in the implementation of resolution GC(XXIX)/RES/453.

107. If, however, the data were analysed by category of post, it could be seen that, over the same period, of the 26 additional posts at the P-4 level or above only 6 had gone to the Group of 77, some 23% of the total. From Annex III, it could be seen that of the 71 posts filled from outside the Secretariat over that period only 21 had been filled by nationals of developing countries - in other words some 29.6%; of those 21 posts, 9, or 42.9%, were at the P-4 level or above - a result somewhat better than what had been achieved the previous year.

108. The data thus showed that some improvement had been achieved, and it was his delegation's hope that the Director General would continue to strive to implement the relevant resolutions of the General Conference.

109. Annex X to document GC(XXX)/782 showed that of the 260 Professional staff in the Department of Safeguards, only 66, or 25.4%, were from developing countries; that represented a slight increase - less than 2% - over the previous year, and Cuba considered it to be insufficient. At the P-4 level and above, the situation was still less encouraging: of 155 posts, only 22, or 14.2%, were held by nationals of developing countries.

110. Annex XI showed that, out of a total 27 appointments over the period, 10 had gone to nationals of developing countries; at 37%, that figure was encouraging but still insufficient.



111. His delegation concluded from document GC(XXX)/782 that the Director General should continue to take steps to improve matters and trusted that he would do so.

112. Mr. NEAMU (Romania) emphasized the importance which his delegation attached to the resolutions adopted by the General Conference on the matter under discussion. They should be implemented in full. The efforts of the Director General were to be commended, but the number and level of posts held by nationals of developing countries within the Secretariat must be further increased, given the relative importance of those countries within the Agency.

113. Mr. USTYUGOV (Union of Soviet Socialist Republics) said the Director General's report in document GC(XXX)/782 showed substantial progress - in absolute and in relative terms - towards the implementation of resolution GC(XXV)/RES/386 in the year ending September 1986. The Soviet Union was gratified to note that the representation of developing countries had reached 23% and was sure that it would continue to increase. The progress made in implementing resolution GC(XXV)/RES/386 was clear. While that progress was welcomed by the Soviet Union, there was none the less reason for concern about the fact that the representation of the socialist countries had decreased; whereas, over the previous two years, the total number of posts had increased by 39, the number held by nationals of the socialist countries of Eastern Europe had decreased by one. For its part, the Soviet Union was grateful for the slight increase in the representation of the Soviet Union itself. It remained none the less concerned that the aggregate representation of the socialist countries was significantly less than it considered just.

114. Mr. BASSOY (Turkey) noted with satisfaction the improvements made in line with resolution GC(XXV)/RES/386, and joined with the representative of the United States in calling for a more intensive recruitment of women.

115. Mr. BAMSEY (Australia) said that his delegation supported the Director General's efforts since 1981 to recruit more staff from developing countries; despite the real constraints, real achievements had been made. The Australian delegation joined with the United States and Turkey in encouraging the Secretariat to employ a larger proportion of women, especially in senior posts.

The meeting rose at 6 p.m.

