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THE FINANCING OF TECHNICAL ASSISTANCE

The summary records of the discussions in the Board of Governors on 22 September 1993 under the item "The financing of technical assistance" are reproduced in the Attachment.

EXCERPTS FROM THE RECORDS OF THE BOARD'S 822nd
AND 823rd MEETINGS

822nd meeting

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXXVI)/RES/591)

The CHAIRMAN recalled that he had contacted several Governors and Resident Representatives to try to find someone who would be ready to assume the chairmanship of the informal working group on the financing of technical assistance; unfortunately, since they all had other pressing official obligations, none of them had been in a position to undertake those duties and, as a result, the informal working group, re-established by the Board after the General Conference's last session, had not met. He had therefore prepared a succinct draft paper based on the consultations on the subject which had been held before the Board's meeting. In the light of that document, the Board would perhaps be in a position to decide on the nature of the report that it wished to present to the General Conference pursuant to resolution GC(XXXVI)/RES/591.

Mr. LEE (Republic of Korea), speaking on behalf of the Group of 77, recalled that the members of that Group had always attached great importance to the Agency's technical assistance and co-operation activities. He also recalled that there was a widely-shared view that those activities should be funded through assured and predictable resources so that the Agency could successfully carry out one of its most important functions.

The General Conference had therefore instructed an informal working group, set up in 1991, to find ways of achieving that objective. Under the distinguished chairmanship of the Mexican Ambassador at that time, Mr. Anguiano, the working group had made commendable efforts to fulfil its mandate in 1991/92. Unfortunately, the failure to find a successor to the working group's first chairman had made it difficult for the group to continue its work in 1992/93 as requested by the General Conference in its resolution GC(XXXVI)/RES/591. The member countries of the Group of 77 felt strongly that, in view of the importance of the question of the financing of technical assistance, the Board of Governors should recommend to the General Conference that it re-establish the informal

working group at its next session. If such a decision were taken, the Group of 77 hoped that the incoming Chairman of the Board would intensify the search for a new chairman of the informal working group. As Chairman of the Group of 77, he would himself make every effort to assist the Chairman of the Board in that search.

The Group of 77 therefore hoped that the Board would approve the draft report and the recommendation which it contained.

Mr. DE YTURRIAGA (Spain) regretted the fact that the informal working group had been unable to fulfil the mandate entrusted to it by the General Conference and to continue the work begun under the leadership of Mr. Anguiano, whose report constituted a sound starting point for subsequent work. He hoped that the working group would be re-established and that it would not face the same problems, but would be able to continue the examination of that complex and controversial question.

Spain had made its views on the financing of technical assistance known many times. He therefore simply wished to recall that his country could not accept that a voluntary contribution should be made into a compulsory one; that was why he had expressed reservations when the target for the TACF had been agreed. Under those circumstances, Spain was forced to oppose the present wording of the English version of paragraph 6 of the document under review. The Spanish text, however, was acceptable since it indicated that Member States would endeavour ("se esforzaran por") to contribute to the agreed target for the TACF. If the English version ("it is imperative that all Member States honour") was changed to make it less categorical and to bring it into line with the Spanish text, his country would agree to the transmission of the document to the General Conference.

Mr. HOGBERG (Sweden) said that his country, which attached high priority to the Agency's technical assistance and co-operation activities, supported the recommendations contained in the draft report under consideration. In his view, the agreed target for the TACF was a binding commitment for Member States and should be honoured. The Fund should be financed on a firm and predictable basis, and the decline in pledges and payments to it was most regrettable.

Mr. TABET (Algeria) said that the draft report before the Board clearly showed the difficulties which had impeded progress. The inflexibility of the opposing positions and the forced inactivity of the informal working group had regrettably made it impossible to implement the General Conference's resolutions on the subject. In view of the constraints imposed upon the TACF by the current system of financing of technical assistance programmes, there was a greater need than ever to revive the consultation process so that concrete and acceptable measures could be taken to protect technical co-operation activities against the uncertainties associated with their method of financing. In order to do that, the best possible use should be made of the report prepared by the informal working group under the chairmanship of Mr. Anguiano; Algeria had previously emphasized the quality of that report and it would like to see the successful completion of the process that had been started. It therefore supported the recommendation to establish a new working group with a mandate to complete the process of reflection and consultation that had been taking place during the last few years. He hoped that the Group of 77 would be in a position to propose a chairman for that new working group and thanked the Governor from the Republic of Korea for his tireless efforts in that area.

Mr. LENG (China) noted that technical assistance and co-operation activities had been particularly fruitful during the past few years. The interregional, regional and national projects that had been successfully concluded demonstrated the usefulness for the promotion of the peaceful uses of nuclear energy of that particularly important component of the Agency's programmes. China appreciated the Secretariat's efforts to intensify its activities in that area at a time when scientific and technical progress made the needs of Member States more pressing, particularly in the case of developing countries, and where it was more necessary than ever to make efforts to adapt.

In that context, it was essential that the financing of technical assistance should be based on assured and predictable resources; his country therefore, like the Group of 77, hoped that the informal working group on that subject would be re-established and would be able to conclude its task successfully.

Mr. PASCOVICI (Romania) said that the document under review presented an excellent analysis of the situation. The provision of technical assistance to promote the peaceful uses of nuclear energy was one of the Agency's statutory functions and was carried out on the basis of voluntary contributions. His country believed that the current system of financing of technical assistance through voluntary contributions made in accordance with indicative planning figures had proved itself: for several years it had resulted in an increase in technical co-operation activities. Taking those relatively favourable results into consideration, it seemed that the system provided a sufficiently assured and predictable source of funding and that the indicative planning figures constituted a satisfactory way of financing the TACF. Under the circumstances, the current system based on indicative planning figures was the most suitable mechanism. It should not be forgotten that the TACF had benefited from a steady increase in real terms, whereas during the past few years the Regular Budget had been subject to zero real growth.

His delegation found the draft report under review acceptable and could agree to its transmission to the General Conference.

Mr. MARTIN (United States of America) said that his Government strongly supported the financing of technical assistance by the proven method of voluntary contributions made in fulfilment of pledges against indicative planning figure targets. Over a number of years that system had generated increased funding for technical assistance; thus, in practice, those resources could be considered to be predictable and assured. It was perfectly logical that technical assistance should be financed by voluntary contributions, since the Regular Budget provided funding for activities that were of direct benefit to all the Agency's Member States. In that connection, he supported the statement made by the representative of Spain on the wording of paragraph 6 of the draft report under consideration.

Mr. VILAIN XIII (Belgium)*, speaking under Rule 50 of the Board's Provisional Rules of Procedure, also endorsed the comment made by the representative of Spain on the wording of paragraph 6 of the document under review. The French version of

* Member States not members of the Board of Governors are indicated by an asterisk.

that paragraph also did not correspond to the real situation, since it seemed to introduce the idea that Member States had an obligation to pay their contributions, whereas they were in fact voluntary contributions. The French text should therefore be amended, otherwise Belgium would have to oppose its approval by the General Conference.

Mr. NASSER (Egypt) supported the statement made by the Governor from the Republic of Korea on behalf of the Group of 77 on the draft report before the Board. He regretted that the informal working group had been unable to meet, although he understood the reasons, set out in paragraph 3 of that document, which had prevented it from doing so. His country looked forward to being able to participate in the working group's activities once it had been re-established.

Paragraph 5 of the draft report stressed that contributions to the TACF were well below the agreed target, thus making it impossible for the Secretariat to implement all the technically sound assistance projects. Furthermore, the uncertainty surrounding the level of resources available made any real planning impossible. The informal working group should try to find, by consensus, realistic solutions to those problems.

823rd meeting

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXXVI)/RES/591) (continued)

The CHAIRMAN recalled that at the end of the 822nd meeting, the Board had concluded its discussion on the financing of technical assistance. However a number of changes had been suggested to the draft report he had prepared on the matter, and in the interests of consensus he would ask the Board to consider a revised version of paragraph 6 of that report.

Mr. BASHUA (Secretariat of the Policy-Making Organs) read out the revised version of paragraph 6:

"It was generally agreed that for the continued and effective functioning of the present system of financing technical assistance, it is desirable that all Member States honour

the agreed target for the Technical Assistance and Co-operation Fund by contributing to the Fund and making payments of their pledges promptly."

Mr. DE YTURRIAGA (Spain) said the new text seemed to allay his delegation's basic concerns and he would accept it provisionally, pending its issuance in the other official languages of the Board.

The CHAIRMAN said that on that understanding, he took it that the Board wished to submit to the General Conference, as its report pursuant to resolution GC(XXXVI)/RES/591, the draft which he had made available, as amended during the discussion, together with the summary record of the Board's discussion on the matter.

It was so decided.