



International Atomic Energy Agency

General Conference

GC(VI)/205

19 September 1962

GENERAL Distr.

Original: ENGLISH

Sixth regular session

Item 21 of the provisional agenda
(GC(VI)/190)

AMENDMENT OF ARTICLE XIV OF THE STATUTE

Note by the Director General

1. On 13 and 14 September 1962 Governors exchanged views in the Board on a proposal made by the Government of the United Kingdom of Great Britain and Northern Ireland for the amendment of Article XIV of the Statute. At the conclusion of the exchange the Board requested the Director General to communicate the records of it to the General Conference.
2. The text of the United Kingdom proposal is accordingly reproduced in Annex I hereto; the records of the Board's exchange of views are attached as Annex II.

ANNEX I

Proposal by the United Kingdom of Great Britain and
Northern Ireland for the amendment of Article XIV
of the Statute

Text of a letter received by the Director General
from the Alternate to the Governor from the
United Kingdom on 21 May 1962

"(12456/62)

"18 May 1962

"For some time Her Majesty's Government in the United Kingdom have been studying how best to ensure a firmer base for the provision of adequate and appropriate finance for the Agency's activities, and they have now concluded that this can best be done by an amendment to Article XIV of the Statute.

"I therefore have the honour to transmit to you herewith, on instructions, a proposed amendment to Article XIV of the Statute, together with an explanatory memorandum.

"I submit the present proposal for an amendment to the Statute under Article XVIII.A of the Statute, and in order to afford an opportunity to the Board of Governors to make such observations on it as they may wish, under Article XVIII.C.(i), for the consideration of the General Conference. For this purpose I have the honour to request that the proposal to amend the Statute should be included in the provisional agenda for the Board's meetings which begin on 12 June.

"....."

Proposed amendment^{1/}

1. Replace paragraphs B to F of Article XIV by:
 - B. There shall be included as separate headings in the Budget estimates:
 1. Expenses and receipts in respect of services performed by the Agency in projects which consist in the arranging of transactions between members on the basis that such expenses are recovered from the members concerned;

^{1/} In accordance with Article XVIII.A of the Statute, certified copies of the text of the proposed amendment were communicated to all Members on 29 May 1962.

2. Such amounts as are recoverable under agreements regarding the application of safeguards between the Agency and parties to bilateral or multilateral arrangements; and

3. Estimates of voluntary contributions expected to be made to the Agency.

C. The Board of Governors shall apportion the net expenditure of the Agency among members in accordance with a scale to be fixed by the General Conference. In fixing the scale the General Conference shall be guided by the principles adopted by the United Nations in assessing contributions of Member States to the regular budget of the United Nations.

D. The Board of Governors shall establish periodically a scale of charges, including reasonable uniform storage and handling charges, for materials, services, equipment and facilities furnished to members by the Agency other than under projects of technical assistance.

2. As consequential changes:

(a) In Article V.C, replace the reference to paragraph H of Article XIV by a reference to paragraph F;

(b) Replace Article V.E.8 by:

8. Approve rules and limitations regarding the exercise of borrowing powers by the Board, in accordance with paragraph E of Article XIV; and approve rules regarding the acceptance of voluntary contributions to the Agency;

(c) In Article VI.E, replace the reference to paragraph H of Article XIV by a reference to paragraph F; and

(d) In Article XIV, re-designate paragraphs G and H as paragraphs E and F respectively.

Explanatory memorandum

1. Many Members of the Agency will doubtless recall that for some time Her Majesty's Government in the United Kingdom have considered that some effort ought to be made to improve the present system of financing the Agency's

various activities. Since its inception the Agency has had to rely, in accordance with the terms of the Statute, on voluntary contributions to the General Fund for financing its technical assistance activities. Unfortunately these voluntary contributions to the General Fund have never been adequate to finance the volume of technical assistance activities provided for in the annual operational budget as approved by the General Conference.

2. Her Majesty's Government in the United Kingdom, considering not only that the provision of technical assistance to the developing Member States is one of the most important functions of the Agency, but also recalling that the General Conference at its fifth regular session approved a resolution requesting "the Board of Governors and the Director General, in consultation, where appropriate, with the Scientific Advisory Committee, to initiate the preparation of a long-term programme for the Agency's activities"^{2/} in the development of the peaceful uses of atomic energy, have formed the opinion that in order to prepare any such long-term programme realistically the Board of Governors, the Director General and the General Conference must be able to have some assurance that the financial resources likely to be placed at the Agency's disposal will be adequate to carry it out.

3. Therefore, since the full implementation of the annual and long-term programmes, as may be approved by the General Conference, depend on the ability of the Agency to direct appropriate financial resources under its own control to the various activities comprised in the approved programmes, Her Majesty's Government in the United Kingdom advocate that all the activities of the Agency as authorized under its Statute, including the provision of technical assistance, should be financed from one, common budget.

^{2/} GC(V)/RES/105.

ANNEX II

Records of the exchange of views in the Board
of Governors on the United Kingdom proposal to
amend Article XIV of the Statute

