



International Atomic Energy Agency

General Conference

GC(VII)/236
9 July 1963

GENERAL Distr.

Original: ENGLISH

Seventh regular session

Item 18 of the provisional agenda
(GC(VII)/226)

THE FINANCING OF THE AGENCY'S ACTIVITIES

Recommendation by the Board of Governors for amendment of Article XIV.B.1 of the Statute

Note by the Director General

1. On 18 June 1963 the Board of Governors adopted [1] a resolution on the question of financing the Agency's activities, the text of which the Director General is hereby transmitting to the General Conference in accordance with paragraph 3 thereof (Appendix A). The Board's discussions referred to therein are recorded in restricted documents GOV/OR.307, 322 and 323; extracts of the relevant parts of these records are being communicated to the General Conference in the Addendum to the present document.
2. By its resolution the Board has recommended the General Conference to approve an amendment to Article XIV.B.1 of the Statute [2], and in relation to that recommendation it has itself approved an amendment to Financial Regulation 6.05 [3]. When adopting the resolution the Board also introduced a second change into the Financial Regulations by adopting the text of a new regulation which is reproduced in Appendix B.
3. On 26 June the Director General communicated to each Member of the Agency a certified copy of the recommended amendment to the Statute [4], in compliance with Article XVIII.A thereof.

[1] By 12 votes to five, with six abstentions.

[2] Para. 1 of the resolution; for the text of the amendment, see Annex I to the resolution.

[3] Ibid., para. 2 and Annex II.

[4] Under cover of his circular letter number L/119-1.

APPENDIX A

Text of a resolution adopted by the Board of Governors on 18 June 1963

THE QUESTION OF FINANCING THE AGENCY'S ACTIVITIES

The Board of Governors,

- (a) Recalling Resolution GC(VI)/RES/123 in which the General Conference requested it to study the question of financing the Agency's activities and to report the results of this study to the Conference at its seventh regular session,
- (b) Bearing in mind that in no year to date have voluntary contributions to the General Fund been adequate to finance the volume of technical assistance activities provided for in the Operational Budget as approved by the General Conference,
- (c) Aware that the appeals for voluntary contributions made to Member States by the General Conference at its fifth and sixth regular sessions [1] have not succeeded in producing the necessary revenues,
- (d) Recognizing that while it is not a function of the Agency itself to finance capital equipment or principal nuclear facilities, the provision of technical assistance in the field of peaceful uses of atomic energy to the less developed Member States is and should continue to be one of the most important of the Agency's activities,
- (e) Mindful that in order to prepare meaningful annual programmes and to stabilize the financial position of the Agency as a whole, the General Conference, the Board of Governors and the Director General must be assured that the financial resources likely to be placed at the Agency's disposal will be adequate to carry out the approved programmes,
- (f) Mindful also that the full implementation of annual programmes will depend on the ability of the Agency to direct financial resources under its own control to the various activities comprising the approved programmes,
- (g) Concluding in these circumstances that Article XIV of the Statute should be amended in such a manner that activities heretofore provided for in the Operational Budget would be financed from a single, assessed budget, and
- (h) Recognizing, however, that giving effect to such an amendment should not place an undue financial burden on the developing countries and that these Member States should therefore be enabled to pay part of their assessed contributions in their local currencies,
1. Recommends that the General Conference approve the amendment to paragraph 1 of Article XIV.B of the Statute as set forth in Annex I to the present resolution;
 2. Decides to approve, effective as of the date the afore-mentioned amendment to the Statute enters into force, the amendment to Financial Regulation 6.05 set forth in Annex II; and
 3. Requests the Director General to transmit the present resolution to the General Conference, together with the records of the Board's discussions in February and June of 1963 on the question of financing the Agency's activities.

[1] In Resolutions GC(V)/RES/100, GC(V)/RES/103, part B, para. 3 and GC(VI)/RES/126, para. 3.

ANNEX I

Amendment to paragraph 1 of Article XIV.B of the Statute

1. At the beginning of paragraph 1 change the words "Administrative expenses" to "Ordinary expenses"; and
2. Add to paragraph 1 a new sub-paragraph as follows:
 - "(c) Costs of providing technical assistance of the following kinds to Member States in the field of peaceful uses of atomic energy as part of projects of technical assistance and on terms and conditions approved by the Board of Governors:
 - (i) Exchange and training of scientists and experts;
 - (ii) Services of advisers or experts or provision of non-capital equipment and supplies forming an integral part of the project of technical assistance; and
 - (iii) Services of the Agency's laboratories at Headquarters for the provision of assistance in the application of radioisotopes, in the calibration of equipment, and in the standardization of nuclides and in the field of health and safety."

ANNEX II

Amendment to Financial Regulation 6.05

Add the following to Financial Regulation 6.05 [1]:

"In determining the amounts to be paid in other currencies, the Director General and Board shall, insofar as possible, allow those Member States that receive technical assistance under the United Nations Expanded Programme of Technical Assistance to pay in their local currencies part of their assessed contributions. The amount so paid shall not exceed the proportion which the Agency's expenditure on technical assistance under Article XIV.B.1(c) of the Statute [2] bears to its total budget."

[1] Financial Regulation 6.05 reads:

"Annual contributions and advances to the Working Capital Fund of the Agency shall be assessed and paid in United States dollars, provided that payment of the whole or part of these contributions and advances may be made in such other currency or currencies and up to such amounts as the Director General, in consultation with the Board of Governors, shall have determined."

[2] As set forth in paragraph 2 of Annex I.

APPENDIX B

Text of a new financial regulation [1] adopted by the
Board of Governors on 18 June 1963

"Yearly appropriations for non-capital equipment financed from the Agency's own funds as an integral part of any project of technical assistance approved by the Board of Governors shall not exceed a figure of US \$30 000 in value."

[1] It is understood that such a regulation would become effective on the date the recommended amendment to the Statute came into force - compare the disposition the Board has made in paragraph 2 of its resolution with regard to the amendment of Financial Regulation 6.05.