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COMMITTEE OF THE WHOLE

RECORD OF THE THIRD MEETING

Held at the Conference Centre, Hotel Nacional-Rio, Rio de Janeiro
on Friday, 24 September 1976, at 10.40

Chairman: Mr. MALU wa KALENGA (Zaire)

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* A provisional version of this document was issued on 19 October 1976.

** GC(XX)/573.

THE RECORD

ELECTION OF VICE-CHAIRMEN AND ORGANIZATION OF WORK

1. The CHAIRMAN said he took it that the members of the Committee were in favour of electing two Vice-Chairmen, as provided for in Rule 46 of the Rules of Procedure, and informed them that he had received the nominations of the delegates of the Philippines and Venezuela. He proposed that, if no further nominations were forthcoming, those candidates should be declared elected

● 2 There being no further nominations, the delegates of the Philippines and Venezuela were unanimously elected Vice-Chairmen of the Committee of the Whole

3 The CHAIRMAN read out the agenda items referred to the Committee by the General Conference and contained in document GC(XX)/COM. 5/3. He suggested that the items be discussed in the order in which they appeared on the agenda. He further suggested that he be entrusted with the task of submitting the Committee's report orally to the General Conference, it being understood that the views expressed by the individual delegates would be reflected in the record of the Committee's deliberations.

● 4. It was so agreed.

THE AGENCY'S ACCOUNTS FOR 1975 (GC(XX)/566)

5. Mr. SIAZON (Philippines), expressing concern at the large unobligated balances mentioned in Statement III. A of document GC(XX)/566, said he hoped that the Secretariat would find ways of reducing them.

6. The CHAIRMAN took it that the Committee wished to recommend the draft resolution in document GC(XX)/566 for adoption by the General Conference.

● 7. It was so decided.

THE AGENCY'S PROGRAMME FOR 1977-82 AND BUDGET FOR 1977 (GC(XX)/567)

8. Mr. ZAMBONI (Italy) thought it a matter for regret that, while a large number of countries were suffering from the effects of world economic recession and were being forced to cut down their national budgets, the Agency's Regular Budget for 1977 should show an increase of 17.5%. The average growth rates of gross national products were certainly lower than that figure.

9. The automatic increase in staff salaries had led to a situation where salaries accounted for 70% of the total budget. Under those conditions,

the establishment of 65 additional posts for 1977 was excessive. The relatively large number of senior posts in the Secretariat might lead to a lack of balance between grades and functions. There was moreover ample room for economizing on the costs of travel, meetings and publications

10. Italy would support any move to relate the growth of the budgets of international organizations to that of national budgets.

11. Mr. KATORI (Japan) said that his Government approved the Agency's programme for 1977-82 and the draft budget for 1977. The rate of increase in the Regular Budget and Operating Fund I and in the assessed contributions of Member States in 1977 was relatively modest (8%). He hoped that caution would be exercised in appointing additional administrative staff and in upgrading posts.

12. Mr. OGUNLANA (Nigeria) said that in view of the shortage of conventional sources of energy, nuclear energy provided the only practical alternative at the present time. It was ironical, however, that the very countries which most needed such energy for their development were most handicapped in acquiring the capability to harness it. In the interest of mankind, the Agency's role should be to promote the use of nuclear energy and to help resolve the various handicaps facing developing countries in that regard. The Federal Republic of Germany had set an example by deciding to spend \$1 million on the promotion of nuclear power and less than half that amount on safeguards. That, he felt, indicated the proper emphasis to be placed on those two areas of the Agency's work. Nigeria considered that the notion of placing a ceiling on the Agency's fund for the provision of technical assistance should be abandoned.

13. Since the Agency stood for the principle of spreading the benefits of nuclear energy to all mankind, the distribution of funds in its budget should reflect that principle. The Nigerian delegation would therefore suggest that the Agency should re-allocate its funds for the 1977-82 programme with a view to redressing the imbalance whereby, in the Regular Budget of \$37 million, a substantial part was earmarked for safeguards as compared with a target of only \$6 million for voluntary contributions for technical assistance. The Board should submit to the General Conference at its next session a resolution allocating at least 33 1/3% of the Agency's total budget to the promotional sector and remove any ceilings on funds earmarked for promotional activities.

14. Mgr. GILLON (Belgium) considered that the cost of moving the Agency to its Permanent Headquarters should be separated from the Regular Budget since it was a non-recurring expenditure. His delegation approved the Director General's suggestion that the requisite funds should be drawn from the cash surpluses which were in fact credit balances returnable to Member States. However, the Agency should obviously

not make a practice of retaining credit balances for its own purposes. His Government found it difficult to agree to the allocation of \$1.5 million in 1978 on account of the transfer of headquarters. The Secretariat should try to meet that expenditure, too, out of cash surpluses

15. The Agency should not, in the Belgian Government's opinion, increase investment in its own facilities, such as laboratories. Personnel costs, moreover, had begun to account for an increasing share of the budget, a development due in part to reclassification of posts, so that the Agency was tending to become top-heavy.

16. Belgium approved the \$6 million target for voluntary contributions to the General Fund and would make its own contribution to that Fund, as in preceding years, although for administrative reasons it was not yet in a position to announce the exact amount. His delegation was aware that certain Member States did not consider that target to be adequate. It should, however, be borne in mind that a large part of the Agency's Regular Budget was devoted in effect to technical assistance and that funds from external sources such as the United Nations Development Programme (UNDP) were also used to finance technical assistance programmes.

17. His Government fully supported the Director General's proposal concerning the implementation of technical assistance projects under sub-contracts and hoped that system would be further extended. Belgium would be happy to co-operate in that area. It supported the Agency's decision to ask countries providing equipment to supply spare parts as well. Repair services should really be offered, too, because expensive equipment often remained idle over long periods of time for lack of repair facilities. The Agency should consider establishing a fund for the purpose.

18. Providing information to the general public on the uses of nuclear energy was one of the primary duties of Member States, and the Agency would be performing a valuable service if it helped them by issuing a series of publications of a general nature.

19. The film catalogues should be updated and information regarding films available from other organizations in Member States should be included therein. The movement of those films should be facilitated by arranging for nationals of the recipient countries to deal with the customs formalities, which at present caused potential users not to ask for the films.

20. Although there was undoubtedly a need for information on and co-ordination of activities relating to alternative sources of energy, the Agency should confine its activities to the development of fission and fusion.

21. Mr. DEMENTHON (France) said that his country was concerned at the increase in the Regular Budget for 1977, which was 17.6% higher

than the 1976 budget. The rate of increase was thus greater than that of the French national budget. He hoped that in 1978 the budget would not show such a rate of increase.

22. Mr. BUHOARA (Romania), approving the Agency's budget for 1977, wished to emphasize the need for efficient utilization of resources with special emphasis on technical assistance.

23. Mr. SIAZON (Philippines) said that the Philippine Government considered the provision of technical assistance to be the primary function of the Agency. Hence the target of \$6 million for voluntary contributions to the General Fund in 1977 was not adequate, especially as less than half of the technically sound requests for assistance had been met during 1971-75. Perhaps countries party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) [1] would come forward to meet some of those requests in response to the recommendations of the Review Conference of the Parties to NPT.

24. The Agency must strike a balance between its technical assistance and safeguards activities, over the past few years the budget for safeguards had increased at a much faster rate than the technical assistance budget.

25. The Agency should help developing countries in obtaining heavy water and enriched uranium.

26. There was a growing demand for training in nuclear power technology. It would be desirable for candidates from developing countries to be trained in other developing countries where nuclear power plants were already being established, and the Agency could play a useful role in arranging such training.

27. His country was interested in food irradiation and in testing the wholesomeness of irradiated food. Since regional projects such as the one on the irradiation of fish and fishery products were usually financed through research contracts, the Agency should allocate more funds for those contracts. The Philippine delegation would welcome the association of the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations (FAO) and the Agency in work on food irradiation. The Netherlands offer to provide irradiation facilities for countries interested in food irradiation deserved serious consideration.

28. Mr. KAMIL (Indonesia), having thanked the Agency for the technical assistance which his country had received in the past, said that the funds envisaged for the provision of technical assistance in 1977 would not be enough to meet the requests of the growing number of developing countries seeking help. The proposed increase in funds for the provision of technical assistance was very modest compared with that in the funds for

[1] Reproduced in document INFCIRC/140

safeguards, partly because many countries were unwilling to increase their voluntary contributions to the General Fund. It was expected that, owing to UNDP's financial difficulties, less funds would be available for the provision of technical assistance in the nuclear field during the next two or three years, so that the Agency's own resources would be the main source of funds for providing such assistance. It was to be hoped that developing countries would continue to look to the Agency for technical assistance in the nuclear field rather than bypass it.

29. Mr. BOT (Netherlands), noting that several delegates had expressed interest in food irradiation, outlined the advantages of the technique, especially for developing countries. His Government welcomed the recommendations regarding food irradiation recently made by a WHO/FAO panel of experts which had met in Geneva, and expressed the hope that their implementation would lead to international trade in irradiated foodstuffs.

30. He urged that the Joint FAO/IAEA Division of Atomic Energy in Food and Agriculture revive work on an international facility for food irradiation technology, for which his Government had in 1973 offered the services of the Dutch pilot plant at Wageningen.

31. Mr. KHAN (Pakistan) commended the efforts of the Department of Technical Operations to assist developing countries with the planning of their long-term nuclear power programmes and pointed out that Pakistan had benefited from those efforts. The importance of project personnel training of the kind being provided in France, the Federal Republic of Germany and the United States of America was obvious, and he suggested that the Agency give more generous support to national training centres and help in establishing regional training centres.

32. In view of the uranium supply and demand situation, the Agency should do more to promote and assist exploration and exploitation in developing countries, many of which were potentially very rich in uranium; such action would serve the interests of both developing and advanced countries. The Agency should also promote and assist prospecting for other materials of importance in the nuclear field, such as zirconium.

33. He underlined the importance of the Agency's nuclear safety and environmental protection activities, especially in view of their importance in connection with gaining public acceptance for an expansion of nuclear power generation.

34. The Agency was to be congratulated on the work of the International Centre for Theoretical Physics, which ought to be expanded by strengthening its ties with existing scientific centres in developing countries or through the establishment of regional branches in such countries.

35. The proposed increase in funds for the provision of technical assistance was very meagre compared with that in funds for safeguards. The Agency's promotional and regulatory activities were equally important and should expand together; otherwise there would develop a serious imbalance in the Agency's programme. In that connection he noted a disturbing tendency to make technical assistance contingent upon the acceptance of safeguards. Care should be exercised to ensure that no arbitrary decisions in violation of the Agency's Statute were taken and that Member States were not discouraged from turning to the Agency for technical assistance in the nuclear field.

36. His delegation, which attached great importance to the Agency's activities relating to food and agriculture, was disappointed at the small amount which it was proposed should be spent on them in 1977. The Secretariat should try to obtain support for certain of those activities from interested affluent countries.

37. The developing countries did not possess large facilities for ambitious scientific research, but many had small laboratories which deserved to be assisted in keeping abreast of laser technology, plasma physics and other advanced scientific work.

38. He strongly supported the Agency's isotope hydrology activities and suggested the preparation of a guide-book to help developing countries to initiate ground-water study programmes.

39. Mr. BELÁČIK (Czechoslovakia) expressed his country's support for the Agency's activities relating to safeguards, nuclear power generation, nuclear safety, scientific and technical information, nuclear explosions for peaceful purposes and certain applications of radioisotopes and ionizing radiations. Like the other member countries of the Council for Mutual Economic Assistance (CMEA), Czechoslovakia was greatly interested in the Agency's study of the feasibility of regional fuel cycle centres, and he expected that specialists from his country would collaborate with the Agency in that study. As a small country, Czechoslovakia stood to benefit greatly from the economic and technical advantages of such centres.

40. With regard to food irradiation, his delegation welcomed the continued endeavours to bring about an agreement between FAO, the Netherlands Government and the Agency to carry out pilot-scale feasibility studies and looked forward to greater international co-operation on the basis of, for example, the agreement between the Agency and CMEA. In particular, his delegation considered that there should be more international co-operation involving comparisons of the findings of experimental production studies so that one had reproducible results applicable as far as possible to real production and storage conditions.

41. Mr. KLESTIL (Austria), as representative of the country in which the Agency was based,

gave a brief account of the progress being made in the construction of the Agency's Permanent Headquarters in Vienna.

42. Construction work was proceeding on schedule, and it was expected that the Secretariat would start moving to the Permanent Headquarters in the summer of 1978 and that the move would be completed by March 1979. The International Conference Centre, which would be able to accommodate most Agency meetings - but not regular sessions of the General Conference - would also be available by March 1979. The Austrian Conference Centre, which would be able to accommodate regular sessions of the General Conference, would become available in 1982.

43. As regards transport, the construction of two new bridges over the river Danube, with a much higher capacity than the old Reichsbrücke bridge, would be completed in 1981, one of them would include the planned underground railway connection. Meanwhile, the staff who would start working at the Permanent Headquarters in 1978 and 1979 need have no travel problems, for example, a bus line linking those parts of Vienna where most international civil servants lived, with the Permanent Headquarters would be established if the Agency and the United Nations Industrial Development Organization (UNIDO) wished.

44. Mr. HOFFMANN (Federal Republic of Germany) said that the Agency's programme for 1977-82 with its continued emphasis on nuclear power, nuclear safety, nuclear techniques in agriculture, food and medicine, and technical assistance was acceptable to his delegation with two exceptions: firstly, there were still too many minor and unrelated activities which tended to engage a relatively large proportion of the staff and thus dissipate the Agency's resources. The Agency should rather concentrate its effort on selected priority tasks. Secondly, more emphasis should be placed on safeguards, which needed to be adapted and improved to meet the requirements of the new era of large-scale use of nuclear energy. That was a vital task for the Agency. The Agency and its Member States should do their utmost in order to avoid the Agency's credibility in the safeguards area being questioned. That was not sufficiently reflected in the draft programme.

45. Turning to the budget for 1977, he welcomed the Director General's decision to cut his earlier budget and staff estimates for 1977. The 17.6% increase in expenditure over the present year was still rather high, but his delegation recognized that 9% of that increase was due to costs arising in connection with the transfer of the Secretariat to its Permanent Headquarters in Vienna. He hoped that the Agency would be able to strengthen its efforts in priority areas without an increase of the 1978 budget as compared to 1977.

46. Referring to suggestions made during the Conference that the Agency should extend its

activities to cover sources of energy other than nuclear, he observed that there were already a number of other international organizations active in the energy field which could provide all the relevant information required. If the Agency diversified its interests too much its main targets would suffer; there were surely still quite enough problems remaining to be solved in the nuclear energy field proper. In addition, only in a few countries including the Federal Republic of Germany, nuclear and non-nuclear energy technologies were being dealt with by the same organization. One question which the Agency might pay more attention to was the decommissioning of nuclear facilities. Experience in recent years had shown that public opposition was likely to become one of the most serious obstacles to the widespread use of nuclear energy. The Agency should do its utmost to meet the challenge of public awareness and in that connection his delegation welcomed the risk acceptance study being performed jointly by the Agency and the International Institute for Advanced Systems Analysis (IIASA). However, much more needed to be done and the Agency should take steps to help bring about a more rational public assessment of the risks and benefits of nuclear power.

47. Mr. THOMAS (German Democratic Republic), expressing support for the Agency's programme for 1977-82, said his country placed special weight on measures aimed at strengthening safety and security, which it considered an essential precondition for international development and co-operation in the nuclear field. He reiterated his delegation's view that, when technical assistance was supplied on a bilateral or multilateral basis, preference should be given to those States which had taken on commitments under NPT, while Chile and South Korea should be excluded from receiving any technical assistance. The budget for 1977 was acceptable to his Government provided that the Secretariat administered the funds effectively and Member States could be relied on to meet their obligations with respect to the Regular Budget and the General Fund.

48. The CHAIRMAN, noting that there were no further comments and that the Committee did not wish to go through document GC(XX)/567 section by section, suggested that it turn to the draft resolutions set out in Annex VII of that document. He took it that the Committee wished to recommend draft resolution A (Regular Budget appropriations for 1977) for adoption by the General Conference

● 49. It was so decided

50. The CHAIRMAN took it that the Committee wished to recommend draft resolution B (Operational Budget allocations for 1977) for adoption by the General Conference.

● 51. It was so decided

52. The CHAIRMAN took it that the Committee wished to recommend draft resolution C (The

Working Capital Fund in 1977) for adoption by the General Conference.

- 53. It was so decided.

ASSESSMENT OF MEMBERS' CONTRIBUTIONS TOWARDS THE AGENCY'S REGULAR BUDGET

Principles of assessment to supplement those set forth in Resolution GC(III)/RES/50 and to revise those set forth in Resolution GC(XV)/RES/283 (GC(XX)/569)

54. Mr. TAPE (United States of America) said that the draft resolution contained in document GC(XX)/569 did much to meet the needs of developing countries in keeping down assessed safeguards costs, while at the same time ensuring that total safeguards costs were shared on a realistic basis among all Member States. His delegation believed, however, that the financing of safeguards had to be adaptable to international financial developments. For example, the previous year two States with a very high per capita net national product had

become Members of the Agency. That would not have any effect in 1977 but it could affect the balance in future years. Safeguards financing should therefore be kept under continuous review and modified whenever necessary.

55. The CHAIRMAN took it that the Committee was prepared to recommend the adoption by the General Conference of the draft resolution in document GC(XX)/569.

- 56. It was so agreed.

Scale of assessment of Members' contributions for 1977 (GC(XX)/570)

57. There being no comments, the CHAIRMAN said he took it the Committee wished to recommend the adoption by the General Conference of the draft resolution in document GC(XX)/570.

- 58. It was so agreed.

The meeting rose at 12.55 p.m.