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THE FINANCING OF TECHNICAL ASSISTANCE

Report by the Board of Governors

Addendum

The summary of the discussion on the item "The financing of technical assistance" in the Board of Governors at meetings held in June 1984 is hereby made available to the General Conference.

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Summary record of the discussion on the item
"The financing of technical assistance"
at meetings of the Board of Governors
held in June 1984

RECORD OF THE 624TH MEETING (held on 8 June 1984)

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXVII)/RES/418)

121. The CHAIRMAN recalled that the Board had agreed in February to have the present item placed on the provisional agenda for its June session. The important question of the financing of technical assistance had been extensively discussed during recent years in the Agency's Policy-making Organs. In 1981 the Board of Governors had recommended indicative planning figures for 1982 and 1983 which had subsequently become targets for voluntary contributions in those two years, and in 1982 the Chairman of the Board had been able to inform the Administrative and Budgetary Committee that consultations between Member States had led to a consensus on indicative planning figures for 1984, 1985 and 1986.

122. Since the Board's February session he had conducted consultations on that question and was therefore aware of the sincere concern of many representatives about the long-term availability of funds for the Agency's Technical Assistance and Co-operation Programme, which they believed should be financed from the Regular Budget, and the equally sincere concern of many other representatives that the voluntary nature of contributions to the Technical Assistance and Co-operation Fund should be preserved.

123. Those consultations had not revealed any change in position since the previous session of the General Conference, which had requested the Board - in resolution GC(XXVII)/RES/418 - to continue to report to it annually on the actions taken with regard to the implementation of resolution GC(XXV)/RES/388 adopted in 1981, a resolution which he considered the Board should make every effort to implement. In that connection, the draft of a report which the Board might submit to the General Conference had been circulated to Members of the Board for their consideration.

124. Mr. HAWAS (Egypt) believed that resolution GC(XXV)/RES/388 constituted the right basis for the financing of technical assistance. The consensus reached in the Administrative and Budgetary Committee in 1982, moreover, was a positive step towards the implementation of that resolution. He therefore proposed that the Board request the Administrative and Budgetary Committee to endeavour, at its 1985 meetings, to achieve a similar consensus on indicative planning figures for the years 1987-1989. In doing so, the Committee should be guided by resolution GC(XXV)/RES/388 and should bear in mind, in particular, the need for predictable and assured technical assistance funding, which should at the same time be sufficient to meet the growing needs of the developing countries.

125. Mr. BRADY ROCHE (Chile) reiterated his delegation's well-known position on the funding of technical assistance - namely, that it should be placed on a more assured and predictable basis. That would enable the Agency to play a fuller role in the technical assistance field. The system of voluntary contributions, which by their very nature were irregular, made it impossible to formulate long-term plans corresponding to the real needs of Member States, a situation which was becoming increasingly serious with each year to the ever-greater detriment of the developing countries' interests. The Agency therefore needed to revise its approach to the funding of technical assistance and to find a more effective system capable of meeting the growing needs in that area.

126. Mr. UMAR (Nigeria) stressed that technical assistance was in the interests of developed as well as of developing countries, since the provision of assistance to the latter created markets for the former. It was incorrect to regard technical assistance as a charity or a means of enabling developing countries to compete with developed countries. He therefore supported the proposal that the Administrative and Budgetary Committee should examine the present item at its next session with a view to finding a definitive solution to the problem of the financing of technical assistance.

127. Mr. TAYLHARDAT (Venezuela) said that, in addition to the two positions mentioned by the Chairman as being adopted by different Members of the Board with regard to the financing of technical assistance, there existed a third position - namely, that the financing of technical assistance should be reliable, sufficient and predictable, but need not necessarily be based on the Regular Budget. He felt that the report by the Board of Governors to the General Conference should reflect the existence of the three distinct positions.

128. Since the system of indicative planning figures had been relatively successful in the past, a possible solution to the problem of funding technical assistance might be to adjust the system so that one could predict the availability of resources over longer periods of time. The idea proposed at an earlier meeting^{5/} by the Governor from the Philippines, that indicative planning figures should be established for five-year rather than three-year periods, was a useful one.

129. Mr. MAHMOUD (Iraq) said that his delegation was pleased to note the, albeit modest, increase in the volume of technical assistance provided to developing countries, particularly during the previous four years, and hoped that it would be further increased in the future so as to meet the growing needs of those countries. While acknowledging the importance of safeguards, he wished to point out that the present inadequacy of technical assistance resulted from an imbalance in the emphasis given to the Agency's regulatory and promotional activities.

130. Recalling resolution GC(XXV)/RES/388 adopted by the General Conference in 1981 and followed up in 1982 and 1983 by resolutions GC(XXVI)/RES/402 and GC(XXVII)/RES/418 respectively, he expressed regret at the fact that the Board had not yet reached agreement on how technical assistance should be financed and the hope that it would do so at its next session.

131. Mr. MALU wa KALENGA (Zaire) noted that activities of almost exclusive concern to developing countries tended to be funded from voluntary contributions, a practice which he considered to be discriminatory and unacceptable in its political implications. A better balance between the Agency's three main programmes - safeguards, nuclear safety and technical assistance - was urgently needed.

^{5/} See GOV/OR.619, para. 70.

132. Mr. NANIOV (Bulgaria) reiterated his Government's view that the Agency's technical assistance programme should be financed through voluntary contributions on the basis of generally agreed indicative planning figures. His delegation urged all others to pay their voluntary contributions in full and without undue delay.

133. Mr. ROSALES (Cuba) considered the present system of financing technical assistance to be an acceptable compromise capable of meeting the needs of Member States provided that all countries which had pledged voluntary contributions actually paid them. It was regrettable that some countries failed to pay their pledged contributions, some paid smaller amounts than suggested and others refrained from making any pledge whatsoever.

134. The financing of footnote a/ projects should not be made contingent on countries' adherence to a particular treaty or other such criteria, but should depend on the actual projects and their impact on the development of the peaceful uses of nuclear energy in the countries with the greatest needs. If that point was disregarded, the present mechanism might cease to be an acceptable solution and the countries concerned might be obliged to seek alternative solutions to their problems.

135. Mr. KHLESTOV (Union of Soviet Socialist Republics) said that it was demonstrably more advantageous to finance technical assistance from voluntary contributions than from the Regular Budget. Whereas the latter had increased by only 50% during the period from 1979 to 1983, the resources allocated to technical assistance had increased by a factor of two, which demonstrated the effectiveness of the present financing mechanism. Furthermore, the system of indicative planning figures enabled resource allocation to be planned ahead for a three-year period and thus ensured greater predictability of funds than the Regular Budget permitted. His delegation therefore felt that the system of voluntary contributions based on indicative planning figures established every three years was the best method of financing technical assistance.

136. With regard to the draft report by the Board of Governors, he suggested that the following phrase be added to the final sentence of paragraph 3: "which created the conditions necessary for the long-term assurance of resources for the technical assistance and co-operation programme".

137. Mr. ÖRDÖGH (Hungary) said that the most important document connected with the present item was that containing resolution GC (XXV)/RES/388, which required that technical assistance be financed through predictable and assured resources. His delegation continued to believe that the system of indicative planning figures met the requirements of that resolution and had proved to be extremely successful; the funds allocated to technical assistance and expenditure on activities in that area had increased dramatically since the system of indicative planning figures had been set up. His Government was constantly increasing its voluntary contribution. Also, it made cost-free fellowships available to the Agency and was organizing a large number of Agency-related scientific and technical activities in Hungary.

138. Mr. LOOSCH (Federal Republic of Germany) said that he had on previous occasions expressed his satisfaction at the considerable increase in the resources which were being made available for technical assistance under the present system of financing. From 1982 to 1983 there had been a 25% increase in such resources, whereas the Regular Budget had been subject to a zero-real-growth policy. Moreover, according to document GOV/INF/456, an estimated increase from 1983 to 1984 of over 50% was predicted in activities relating to the developing countries. Accordingly, his delegation continued to support the system of voluntary contributions based on indicative planning figures and was in favour of requesting the Administrative and Budgetary Committee at its next session, in 1985, to extend that system to the years 1987-1989.

139. Mr. KHAN (Pakistan) said that, while his delegation was grateful to the donor States for the recent increases in voluntary contributions, it did not regard the system of indicative planning figures as an adequate substitute for a system providing firmly assured resources. For the sake of long-term planning, it was vital to ensure the proper financing of technical assistance in accordance with resolution GC (XXV)/RES/388.

140. Without wishing to go into a detailed comparison of the respective rates of growth of the Agency's regulatory and promotional activities, he pointed out that the former were increasing at a faster pace than the latter. He therefore reiterated his delegation's request for greater parity between the financing of safeguards and that of technical assistance.

141. Finally, he drew attention to the need to avoid discrimination in the allocation of technical assistance funds, which should be based on the principle of the equality of all Member States rather than depending on criteria such as adherence to a particular treaty.

142. Mr. HAWAS (Egypt) supported the remarks made by the Governor from Venezuela regarding the Board's draft report to the General Conference on the present item. As to the proposal made earlier in the week by the Governor from the Philippines^{6/}, his own proposal regarding indicative planning figures did not exclude the possibility of establishing such figures for periods of more than three years.

143. Mr. TAYLHARDAT (Venezuela), referring to his earlier remarks about the existence of three positions in the matter of technical assistance financing, proposed that paragraph 3 of the draft report of the Board of Governors to the General Conference be amended by replacing, in the sixth line of the English version, the words "availability of funds" by "need for predictable, assured and sufficient resources" and, in the seventh line, the words "which they believe" by "which some believe".

144. The CHAIRMAN said he assumed from the Board's discussion that it wished to submit to the General Conference the draft report distributed during the meeting, as amended by the Governors from the Soviet Union and Venezuela, together with the summary records of the Board's discussion on the matter both in February and during the present session.

145. It was so agreed.

^{6/} GOV/OR.619, para. 70.