



International Atomic Energy Agency

# GENERAL CONFERENCE

GC(XXIX)/COM.5/OR.42

January 1986\*

GENERAL Distr.

ENGLISH

TWENTY-NINTH REGULAR SESSION: 23-27 SEPTEMBER 1985

COMMITTEE OF THE WHOLE

RECORD OF THE FORTY-SECOND MEETING

Held at the Neue Hofburg, Vienna,  
on Tuesday, 24 September 1985, at 3.35 p.m.

Chairman: Mr. SCHEEL (German Democratic Republic)

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\*/ A provisional version of this document was issued on 2 October 1985.

\*\*/ GC(XXIX)/763.

The composition of delegations attending the session is given in document  
GC(XXIX)/INF/227/Rev.3.

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**THE FINANCING OF SAFEGUARDS (GC(XXIX)/760)**

1. The CHAIRMAN said that the Board of Governors had discussed the financing of safeguards during the previous week. Its report and the summary records of its discussions were reproduced in document GC(XXIX)/760, together with a draft resolution which concerned only the financing of safeguards.

2. Mr. HAUSTRATE (Belgium), commending to the Committee's attention the draft resolution set forth in document GOV/2222, pointed out that it was the result of informal consultations held over the last three years. The principles of the formula, the proposed duration of which was five years from 1987 and which was based on a division of Member States into three categories, were simple: (a) all Member States would contribute to the safeguards budget, even if only symbolically, as at present; (b) the majority of States now paying a fixed amount would continue to contribute the same amount as before. In that regard, the Belgian proposal was in line with the Venezuelan proposal set forth in document GOV/2181; (c) thirty-six other States would make contributions based on their 1986 contributions, as adjusted to allow for price rises; and (d) from 1987 onward the six countries mentioned in paragraph 3(c) of document GOV/2222 would bear the cost of real growth in the safeguards budget as compared to 1986.

3. The third category, comprising those six States, had accepted few, or only token, safeguards on their civilian nuclear facilities. The Belgian proposal brought home to them that, while international safeguards served the international community, it was essentially other States that had accepted safeguards. Another idea underlying the proposed formula was that of economic compensation for States which had accepted safeguards on their facilities. That would remain true even if the amounts involved and the additional contributions requested of the six remained static or diminished.

4. The Belgian formula represented a compromise between the Venezuelan, the United States and the Spanish proposals. It included the Venezuelan formula, differing from it by stipulating a period of validity of five years. It also included the substance of the United States formula but added the

third category of Member States referred to earlier. Belgium was unable to support the United States formula since, in its view, the third category of States was an essential element.

5. Although he was aware that other proposals, like that of Sweden, which called for the full separation of civilian and military facilities and for the application of safeguards to the former in nuclear-weapon States, would basically meet the objectives he had mentioned, it seemed unlikely that there would be any dramatic changes during the stipulated five-year period with regard to the token application of safeguards to civilian facilities in those States.

6. The Belgian delegation was disappointed at the fact that the draft resolution contained in document GC(XXIX)/760 was in substance identical to that adopted by the Conference in 1984 and hoped that progress would be made during the Board's forthcoming consideration of the subject.

7. Mr. MAHMOUD (Iraq) considered it fair that nuclear-weapon States should bear all or at least a major part of the costs of safeguards. Moreover, only a limited number of developing countries had so far entered the nuclear field, and many of them had no facilities that required safeguards. During the extensive discussions on the subject in the Board and the Conference, several countries had submitted useful ideas, from which the view had emerged that the nuclear-weapon States should finance safeguards either entirely or in large part and that the contributions of other countries with safeguarded facilities should be in keeping with the number of their facilities. The amounts to be contributed by developing countries to the safeguards budget should be consistent with their capacity to pay. While Iraq considered the present system to be satisfactory, any new financing arrangement should take those principles into account.

8. Ms. GALLINI (United States of America) said that her Government had submitted a proposal for a comprehensive, long-term solution to the problem of safeguards financing, defining the category of States which should not bear major increases in safeguards costs in accordance with criteria established by the United Nations General Assembly. The proposal provided a

fair mechanism to cushion any large increases which might result should a Member State cease to be in that category. It avoided all inappropriate or politically motivated criteria in determining the contributions of States, thus adhering to the requirements of the Statute.

9. Re-emphasizing the United States' firm opposition to any proposal based on the view that safeguards benefited only or chiefly a certain class of States, she pointed out that the Agency's safeguards system made a vital contribution to the system of world-wide nuclear commerce and to international security. It was one of the most concrete and important confidence-building measures available to the world community. Since all States benefited from the enhanced confidence, all should share in supporting the system financially. The United States would welcome any ideas for improvements in its proposal which were consistent with that principle.

10. Mr. KENYERES (Hungary) reiterated his Government's view that the Agency's safeguards system was an extremely important instrument for strengthening mutual confidence between States and for promoting non-proliferation in the world.

11. The safeguards activities of the Agency could continue to function successfully only if an appropriate and stable system of financing was available. His delegation was satisfied with the present system of financing safeguards. However, if it was to be changed, he was in favour of further consultations with a view to reaching a compromise on the lines of the proposal made by the United States. He therefore endorsed the draft resolution contained in document GC(XXIX)/760.

12. Mr. RODRIGUEZ CEDEÑO (Venezuela) said that the safeguards system played an important role in the peaceful uses of nuclear energy and in the progress of some techniques which were essential for the development of countries. The increase in countries' nuclear capacities made the Agency's safeguards function even more vital. In September 1984 the Board had discussed the question of financing safeguards on the basis of three proposals, including one - submitted by his country (document GOV/2181) -

which enjoyed the support of the Group of 77. That proposal called for the establishment of criteria which would be at once realistic and consistent with the interests of developing countries. While emphasizing the importance of the system and of the mode of its financing, he wished to point out that any modification must take into account various criteria, including the real capacity of States to pay. The costs of the system should be distributed fairly, equitably and rationally among Member States in such a way as to benefit developing countries, whose nuclear capacities did not justify - and whose economic situations simply would not allow - substantial increases in the shares assigned to them.

13. Mr. CAO (China) recalled that the safeguards financing system now in force had come into effect in 1980 with resolution GC(XXIV)/RES/376 and had been extended in 1983 and again in 1984. That system, as revised several times, was acceptable to a majority of Member States. His delegation therefore held the view that any fresh consideration of the financing system should be based on the existing system, and it supported the Venezuelan proposal, which was feasible and realistic and reflected the desires of most developing countries.

14. Mr. ZOBOV (Union of Soviet Socialist Republics) pointed out that, since improvements in the reliability and effectiveness of Agency safeguards benefited all States, nuclear and non-nuclear alike, developed and developing, appropriate material, financial and human resources should be made available to the safeguards system. A speedy solution should therefore be found to the problems of financing the system. As all States had an interest in the effectiveness of safeguards, it was logical that all should participate in its financing.

15. The Soviet Union favoured a long-term solution which would be equitable and acceptable to all countries; it was willing, moreover, to make a constructive contribution to finding such a solution during the forthcoming consultations. A good basis for a long-term solution was offered by the United States' formula, which seemed to enjoy wide support.

16. Mr. SPILKER (Federal Republic of Germany) observed that as a confidence-building measure safeguards were in the interests of all Member States, and that all should therefore contribute to the expenditure on an equitable basis. Since no consensus had been reached in the Board, nor was likely to be attained in the Conference, the Board should continue to discuss the subject and submit a proposal at the next session of the Conference. He therefore endorsed the draft resolution contained in document GC(XXIX)/760, on the understanding that the operative paragraph had exclusively in mind a review of the arrangements for the financing of safeguards. Lastly, he considered that the United States proposal in document GOV/2182 represented a useful approach in that it reflected a good balance of various factors like capacity to pay, the United Nations scale of assessment and the joint responsibility of Member States for the proper operation of the safeguards system.

17. Mr. MOSES (Netherlands) said that, since the safeguards system was important to all Member States and not just to a few groups, safeguards and related activities should be maintained if not increased; he saw no reason whatever for changing the system of financing them. The Agency should be enabled to operate the system in a manner that would inspire maximum confidence in the peaceful nature of global nuclear activities.

18. Mr. HADDAD (Syrian Arab Republic) said that, although he recognized that the role of safeguards was to prevent military uses of nuclear energy, the funds allocated to safeguards greatly exceeded those spent on other activities. If additional appropriations were needed by the Agency to carry out its safeguards and non-proliferation functions, it would be advisable to establish a special fund to which the nuclear-weapon States and, to a certain extent, other States should contribute. Since peace was in the interests of mankind as a whole, all States should devote all their resources to peace. However, it was the nuclear Powers who alone created the threat of a nuclear war, and so it was they who should assume the larger share of the financial burden required to safeguard peace.

19. Mr. MELIBARY (Saudi Arabia) emphasized the need for the Board and the Conference to arrive at a solution to the problem of safeguards financing which would be satisfactory to all Member States; to that end, the formulae proposed by the United States, Venezuela and Spain should be studied further. In view of the increasing costs of safeguards, which were not always justifiable, the Secretariat should take steps to make the safeguards programme more efficient. The Agency should follow the example of its Member States in effecting economies in expenditure. Another point to be borne in mind was that the greater part of the safeguards budget was spent in developed countries.

20. Mr. HOEHNE (German Democratic Republic) said that Agency safeguards provided an assurance that States were complying with their undertakings and assisted them in demonstrating that compliance. It thus promoted further confidence among States and helped to strengthen their collective security.

21. The Agency's safeguards system was of interest to all States and of importance to international security. The common interest in an effective non-proliferation verification system should also be taken into account in discussing the financing of safeguards. Recalling the final document of the Third NPT Review Conference, which urged continued political, technical and financial support for the safeguards system so that the Agency could meet its safeguards responsibilities effectively, his delegation favoured a long-term solution to the question of safeguards financing based on objective criteria and considered that the United States' proposal contained in document GOV/2182 could serve as a basis for further discussion. It endorsed the draft resolution set forth in document GC(XXIX)/760.

22. Mr. PERRIER de LA BATHIE (France), recalling his country's views on the subject, said that any formula for the financing of safeguards should satisfy two conditions: (a) Agency safeguards being in the interest of the world community, all Members of the IAEA should contribute to their financing; and (b) the scale of contributions should follow the United Nations rules,

which took into account the incomes of Member States. Since no consensus on a formula had emerged, efforts should continue in that direction. He was therefore willing to endorse the draft resolution contained in document GC(XXIX)/760.

23. Mr. CEJNAR (Czechoslovakia) observed that safeguards activities constituted one of the most important services provided by the Agency to its Member States, as had been emphasized at the Third NPT Review Conference. Any solution to the problem of financing safeguards would have to take that into account if it was to ensure the effectiveness of the system and stimulate confidence in it. His delegation was therefore in favour of the Board continuing its review of the existing method.

24. Mr. DANIELS (United Kingdom) stressed that in seeking a solution to the problem of financing safeguards certain principles should be borne in mind. First, all Member States should contribute to safeguards costs on a fair and logical basis. It was unacceptable that a small group of countries should alone bear increased costs in the safeguards budget as a result of activities which benefited all Member States. Second, the provisions of Article XIV.D of the Statute should be adhered to. His delegation was against any proposal which did not meet those criteria. The proposal put forward by the United States took account of the formula for low per capita income allowance established by the United Nations General Assembly. It was consistent with the relevant provisions of the Statute and could provide a long-term solution. He was in favour of further discussion of the matter and supported the draft resolution in the document under discussion.

25. Mr. GOMAA (Egypt) said that his country, too, considered safeguards an essential factor in preserving peace, and had taken note of the various proposals relating to its financing. However, any acceptable system of financing safeguards must make optimum use of the financial possibilities, and States which did not profit directly from the system should make only a token contribution. The issue was of particular importance and required a consensus; failing that, his delegation felt that the existing system, which had proven its effectiveness, should be retained. It therefore endorsed the draft resolution contained in document GC(XXIX)/760.



26. Mr. LAMPARELLI (Italy), while supporting the draft resolution in document GC(XXIX)/760, emphasized the importance which his Government attached to the principle that the major part of increases in safeguards expenditure should in future be covered by voluntary contributions from the Member States concerned. That being so, he saw some merit in the proposal submitted by Belgium and hoped the Board would give adequate consideration to that proposal.

27. Mr. NEAMU (Romania), stressing the importance of the Agency's safeguards system and of safeguards in general, advocated continuation of the present system of financing safeguards.

28. Mr. ROBOTHAM (Jamaica), supporting the statement of the Venezuelan delegation, said that the financing of safeguards should be linked to the real capacity of each Member State to pay. It should be borne in mind that the bulk of the safeguards budget was spent in industrialized countries, which had, after all, most of the facilities. However, the developing countries did recognize the crucial importance of effective implementation of safeguards by the Agency.

29. Mr. LOZADA (Philippines), noting that there had been no agreement on a proposal for the financing of safeguards, wished to reiterate his country's view that an acceptable formula should take into account (a) a Member State's capacity to pay; (b) the principle that all nuclear-weapon States should contribute more than the amounts derived from their base rate of assessment; (c) a country's installed nuclear capacity in megawatts (number of nuclear plants); (d) the principle that all Member States should bear some part of safeguards costs; and (e) a ceiling, for developing countries, based on their contribution to the 1984 safeguards budget.

30. As for the various proposals that had been tabled, his delegation considered that the one put forward by Venezuela was fair and responded to the Philippines' own concerns. However, he was prepared to endorse the draft resolution contained in document GOV(XXIX)/760.

31. Mr. MORALES (Cuba) said that, since no agreed proposal on safeguards financing could be submitted to the Conference, efforts towards finding a long-term solution should continue. That solution would obviously have to be based on the proposals of various countries, and would incorporate those elements on which there was already a consensus.

32. However, his delegation confessed that it had sympathy for the Venezuelan proposal, even though it could probably be improved. Cuba wished to stress that any solution must take into account the fact that developing countries were unable to contribute to the safeguards budget at a level higher than that at which they did at present because they found themselves in a severe economic crisis: any demand for an increase in their contributions, even a symbolic increase, would be unfair.

33. Mr. BADRAN (Jordan) observed that, in spite of the desire of Member States to find a systematic and fair mechanism and criteria for financing the safeguards system, there seemed to be no prospects for agreement at the current session of the Conference. Therefore, his delegation suggested that a special task force be established with the mandate of studying the matter in the light of the various proposals submitted, that the task force should report to the Chairman of the Board within six months and that the Board should submit to the Conference in 1986 its final recommendation based on the report of the task force.

34. Mr. KOREF (Panama), supporting the draft resolution in document GC(XXIX)/760, pointed out that it was only a week since the Board had concluded that no agreement could be reached on the question of financing safeguards. It would be advisable for the Board to start discussing the matter immediately after the Conference's current session, as was requested in that draft resolution. It should not be very difficult to combine the various proposals and to arrive at an agreement.

35. Mr. AAMODT (Norway) considered safeguards to be a collective responsibility and an enterprise of benefit to all countries, so that all Member States should contribute to its financing on a fair and realistic basis. Norway supported improvements in the present financial arrangements in

line with the proposal submitted by the United States. Endorsing the draft resolution contained in document GC(XXIX)/760, he expressed the hope that a solution would be found in the near future.

36. Mr. WANE (Senegal) said that, while he realized the extreme usefulness of the safeguards system and the need for wide and indeed universal adherence to it, his delegation felt it should be financed essentially by the States which derived most benefit from it. Small countries should not have to make more than a token contribution to the financing of the system.

37. The CHAIRMAN, noting that there were no more speakers, took it that the Committee wished to recommend the General Conference that it adopt the draft resolution set forth in document GC(XXIX)/760, which related only to the financing of safeguards.

38. It was so agreed.

REPORT OF THE JOINT INSPECTION UNIT ON THE INTERNATIONAL ATOMIC ENERGY AGENCY'S TECHNICAL CO-OPERATION (GC(XXIX)/751)

39. The CHAIRMAN drew the Committee's attention to document GC(XXIX)/751, containing a report from the Board of Governors in response to resolution GC(XXVIII)/RES/432 adopted by the General Conference the previous year, a copy of the Joint Inspection Unit's report, comments by the Agency's Secretariat on the JIU report, the summary record of the Board's debate on the subject in February 1985 and a draft resolution from the Board for the consideration of the General Conference.

40. Noting that there were no speakers, he took it that the Committee wished to recommend to the General Conference that it adopt the draft resolution in document GC(XXIX)/751.

41. It was so agreed.

SCALE OF ASSESSMENT OF MEMBERS' CONTRIBUTIONS FOR 1986 (GC(XXIX)/756)

42. The CHAIRMAN took it, in the absence of any comments, that the Committee wished to recommend to the General Conference that it adopt the draft resolution contained in document GC(XXIX)/756.

43. It was so agreed.

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXIX)/759)

44. The CHAIRMAN drew the Committee's attention to document GC(XXIX)/759, containing a report by the Board of Governors pursuant to resolution GC(XXVIII)/RES/436 which had been adopted by the General Conference the previous year, and in particular to paragraphs 9 to 11. It was mentioned in paragraph 9 that the Board had agreed that, for the period 1987 to 1989, the indicative planning figures for contributions to the Technical Assistance and Co-operation Fund should be increased by 12% each year. Paragraph 10 summarized the results of the Board's discussion on a Belgian aide-memoire entitled "Granting of technical assistance by the Agency" which was attached to document GC(XXIX)/759. In paragraph 11 of the Board's report it was noted that the Board had agreed to continue its efforts towards implementing General Conference resolution GC(XXV)/RES/388, adopted in 1981.

45. Mr. ERNEMANN (Belgium) said that his delegation had previously stressed the fact that, given the current budgetary austerity in many countries, the increase in the resources for technical assistance and the large number of countries which would benefit from it in 1985 gave proof of how seriously Member States took that activity of the Agency. He paid tribute to the value and the quality of the assistance provided by the Agency.

46. Belgium's own financial contribution had to be seen in the light of the acute budgetary difficulties facing the country; it was a matter for great regret that Belgium had been unable to meet the targets for voluntary contributions to the Technical Assistance and Co-operation Fund over the last few years. That was certain to be true in 1986 as well. Belgium would none the less inform the Director General, as soon as possible after the 1985 session of the General Conference, of the amount of the voluntary contribution it would pledge for 1986. A point to be stressed was that Belgium's

contribution would, even so, rank among the largest contributions per capita of the donor countries - although it must be recognized that Belgium had different development aid priorities from other Members. In the Technical Assistance and Co-operation Committee, Belgium had once again stressed the needs of the least developed countries, and in that connection he wanted to draw the Committee's attention to a proposal which Belgium had put before the Board of Governors and which was attached to document GC(XXIX)/759.

47. His delegation considered that technical assistance granted under the present conditions should be reserved as a matter of priority for the developing countries listed in resolution 1995(XIX) and subsequent related resolutions of the General Assembly. It was self-evident that any Member State of the Agency not on the list, i.e. any Member State which was not a developing country, should continue to benefit from technical assistance if it so desired, but it would then, in principle, be required to reimburse the cost of the Agency's services. For the developing countries that could only be of benefit, given that technical assistance granted between 1981 and 1984 to countries other than developing countries had swallowed 15-20% of the aggregate technical assistance budget of the Agency and that, in 1985, that fraction might well reach 25%.

48. Belgium therefore considered that it could no longer participate in the system based on indicative planning figures. It wanted to see the distribution of technical assistance improved as it had proposed; moreover, the increase of 12% a year for three years in succession did not coincide with Belgium's policy of budgetary restriction. Its contribution to the Technical Assistance and Co-operation Fund would be made on a purely voluntary basis. The Committee should bear that in mind when reporting to the General Conference.

49. His delegation wished, lastly, to stress that Belgium's specialized institutions would continue to receive the largest possible number of fellows put forward by the Agency for training.

50. Mr. CASTRO-NEVES (Brazil) stated that his delegation, together with the Mexican delegation, wished to propose a draft resolution whereby the General Conference would take note of the report of the Board of Governors contained in document GC(XXIX)/759 and request the Board to report annually to the General Conference regarding the implementation of resolution GC(XXV)/RES/388. A written text of the draft resolution was being circulated.<sup>1/</sup>

51. MR. HERNANDEZ MATA (Mexico) said that technical assistance was the Agency's principal means of disseminating the benefits of nuclear energy throughout the world and reducing the technological disparity between developing and industrialized countries - a disparity which was a source of imbalance and conflict. For that reason, the promotion of technical assistance should be given priority over all other considerations.

52. His delegation, while satisfied with the way in which the system of indicative planning figures had worked, nevertheless regretted the decision of the Board to fix the annual increase in the technical assistance budget for 1987-1989 at only 12%. His delegation considered that a very modest increase.

53. The Secretariat had so far been able to continue increasing technical assistance programmes by organizational means; however, the Secretariat's performance would soon be diminished as a result of an excessive workload due to limited personnel resources. For that reason, Mexico and Brazil had decided to co-sponsor a draft resolution which was similar to the one approved by the Conference at its twenty-eighth regular session and in which the Board was requested to continue to inform the General Conference annually about the measures taken to implement resolution GC(XXV)/RES/388.

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<sup>1/</sup> Subsequently issued in document GC(XXIX)/COM.5/39.51.

54. Mr. MELIBARY (Saudi Arabia) reminded the Committee that resolution GC(XXV)/RES/388 had requested the Board to arrange for technical assistance to be funded from the Regular Budget or any other assured and predictable source. The budget must be adequate to meet the increased demands made on it and the increased workload. Technical assistance was not a form of charity given by developed to developing countries, but one of the Agency's two principle activities, the other being safeguards. His delegation believed that the ideal solution would be for technical assistance to be financed from the Regular Budget, so that all Members would feel an obligation towards technical assistance and especially towards long-term projects.

55. Mr. GOMAA (Egypt) said that technical assistance was one of the Agency's most important functions, allowing as it did developing countries to improve their economies - especially given the difficult economic circumstances prevailing, in which those countries had need of more rather than less international assistance. In that endeavour the Agency played a basic role, for which it should be commended.

56. Egypt wished to express its gratitude for the efforts made by Member States to arrive at a format for technical assistance under which the budget would regularly increase in accordance with established indicative planning figures. The Board of Governors was also to be commended for doing its best to abide by resolution GC(XXV)/RES/388 and resolution GC(XXVIII)/RES/436. Egypt considered that it could support the Board's decision regarding a 12% annual increase in indicative planning figures between 1986 and 1989.

57. Mr. MAHMOUD (Iraq) said that his delegation considered technical assistance to be the main responsibility of the Agency, for it made the benefits of atomic energy available in the areas of food, health and water resources, where developing countries were facing particularly acute problems. The Agency should give the most thorough consideration to the question of how Third World countries could best be assisted. Technical assistance should be guaranteed, and his delegation therefore urged that resolution GC(XXV)/RES/388, under which technical assistance would be funded

from the Regular Budget or other assured and predictable sources (not by voluntary contributions), be effectively implemented. Resolutions GC(XXVII)/RES/418 and GC(XXVIII)/RES/436 were also to be taken into consideration in that respect.

58. His delegation considered a 12% annual increase in the indicative planning figures to be extremely modest; it was bound to lead to difficulties, since there would be too many programmes for the technical assistance funds available. His delegation therefore wished to co-sponsor the draft resolution put forward by Brazil and Mexico.

59. Mr. CAO (China) said that the Agency had made great efforts to provide adequate, assured and predictable funds for technical assistance since the time resolution GC(XXV)/RES/388 had been adopted, and its success in terms of predictability was largely due to the system of indicative planning figures, which was still a practical approach to the problem.

60. Technical assistance had played a fundamental role in bringing the benefits of nuclear energy to the world. However, as the importance of nuclear energy increased, so did the demands made on the Agency for technical assistance. How technically sound projects were to be financed was a matter of serious concern, as could be seen by the fact that in the past a number of such projects had had to be abandoned for lack of funds. The situation was further aggravated by the falling off of UNDP funds and the tendency of some Members' extrabudgetary contributions to decrease from year to year. China supported the annual increase of 12% in the indicative planning figures for the years 1987 to 1989 and commended the Board of Governors for its efforts in that respect.

61. Mr. USTYUGOV (Union of Soviet Socialist Republics) said that his delegation's position on the financing of technical assistance was well known to members of the Committee. It had recently been reaffirmed at the September meetings of the Board, when his delegation had supported an annual 12%



increase in the technical assistance budget as a compromise solution. His delegation had been gratified at the acceptance of that arrangement by consensus and believed that it was a good way of ensuring that resolution GC(XXV)/RES/388 was successfully implemented.

62. On the other hand, the Soviet Union viewed the Belgian proposal in a negative light; it was opposed to any arrangement that would effectively prevent some Member States from receiving Agency assistance - an idea that ran counter to the Agency's Statute. The Belgian proposal would violate the Statute unless the Statute itself were altered. It was not the Soviet Union's wish to deprive countries of the opportunity to co-operate on a technical level in the peaceful uses of atomic energy.

63. Mr. KENYERES (Hungary) said that his delegation considered technical assistance and co-operation to be - along with safeguards - the Agency's most important area of work. Hungary was gratified that funds for technical assistance were increasing. Its contribution, in cash and in kind, was greater than the amount corresponding to its share of the assessed budget, and in 1986 would reach 3.6 million forints. At the February and September meetings of the Board his delegation had expressed its wish that the current voluntary system of financing technical assistance, based on targets recommended by the Board of Governors, should continue, and it was still of the same mind.

64. The existing criteria for receiving technical assistance should also be retained, and his delegation could not support the Belgian proposal, which it felt ran counter to the Agency's Statute. The Board of Governors was to be commended for its efforts towards implementing General Conference resolution GC(XXV)/RES/388.

65. Mr. CHAUDHRI (Pakistan) said that the Agency's technical assistance programme was one of its two most important activities, and he noted with satisfaction the recent increase in the resources made available for the programme. Parity should, however, be maintained between the Agency's promotional and regulatory functions, and regulatory activities should not be over-emphasized at the expense of promotional activities.

66. The growing interest among many Member States in the applications of nuclear energy had contributed to increasing demands for assistance. The Agency ought to respond not only in a timely fashion but also with adequate financial support, and it was regrettable that many technically sound projects could not be funded. In order to ensure that the two criteria of parity and adequacy of resources were satisfied, the Agency's technical assistance programme should be financed through the Regular Budget in the same way as safeguards. There was thus an urgent need for the full implementation of resolution GC(XXV)/RES/388.

67. Mr. CEJNAR (Czechoslovakia) said that his delegation felt effective use should be made of all funds available for the Agency's technical assistance activities and believed that contributions for such assistance should remain voluntary. The mechanism for making contributions to the Technical Assistance and Co-operation Fund on the basis of indicative planning figures was satisfactory, and his delegation had thus been able to endorse the increases foreseen by the Board for the years 1987, 1988 and 1989.

68. In his view, the proposal submitted by Belgium was unacceptable for the reasons stated by the delegation of the Soviet Union.

69. Mr. MORALES (Cuba) said that the Agency's technical assistance was of vital importance for developing countries. The current mechanism of indicative planning figures and voluntary contributions was the most appropriate way of ensuring the effective participation of all Member States in, and accordingly the desired growth of, the technical assistance programme. Thus, the resources of the Technical Assistance and Co-operation Fund had been only \$10 million in 1980, whereas the amount recommended by the Board for 1986 was \$30 million.

70. Nevertheless, Cuba's support for the present mechanism remained subject to a number of conditions: the resources of the Fund should increase annually by an amount ensuring a real increase which satisfied the needs of Member States; in any given year, Member States should collectively pledge, as a

minimum, the amounts set as targets by the General Conference; Member States which were in a position to do so should honour their pledges; and, finally, resources made available to the Fund should be used for funding all types of project submitted by developing countries, without discrimination.

71. His delegation welcomed the fact that the Board had been able to agree on increasing the indicative planning figures for the years 1987-89, and it hoped that there would be no difficulty with acceptance of the corresponding targets when the time came. Unfortunately, the difficulties experienced by the Board in agreeing on indicative planning figures might mean that the system would eventually be in jeopardy, especially if it failed to provide the degree of assurance required by resolution GC(XXV)/RES/338. The reopening of the discussion would not benefit anyone and would inevitably lead to unnecessary confrontation within the Agency on a matter of supreme importance for all Member States, but in particular for developing countries.

72. Turning to the proposal submitted by the delegation of Belgium, he stated that his delegation remained opposed to a review by the Board or the Conference of the technical assistance policy applied by the Secretariat. The Belgian proposal was unsatisfactory for a number of reasons. First, the Annexes to General Assembly resolution 1995 (XIX) contained various lists showing Member countries of the United Nations which, according to the Belgian proposal, would be entitled to receive Agency technical assistance cost-free. However, it was not clear to which of those lists the proposal referred. Secondly, the agenda item under discussion related to the level of the Technical Assistance and Co-operation Fund and not to the way in which the resources might be used. Thirdly, the Group of 77 had requested that the concept of "developing country" be examined in connection with matters pertaining to the staffing of the Secretariat, since it was there that developing countries had been discriminated against; they had not requested such an examination in any other connection.

73. Finally, his delegation would have no difficulty accepting the draft resolution submitted by the delegations of Brazil, Iraq and Mexico.

74. Mr. KOREF (Panama) said that, whereas paragraph 9 of the English version of document GC(XXIX)/759 correctly stated that the Board had agreed on indicative planning figures for the years 1987, 1988 and 1989, according to the Spanish version of that same paragraph no consensus had been reached in the Board.

75. The CHAIRMAN said that the Secretariat would make the necessary correction.

76. Mr. VYCHEGZHANIN (Byelorussian Soviet Socialist Republic) reiterated his delegation's conviction that the system of voluntary contributions in national currency to the Technical Assistance and Co-operation Fund represented a reliable and sufficiently predictable mechanism for the financing of technical assistance. In any case, the technical assistance programme was not the only source of assistance to developing countries through the Agency; a significant part of the Regular Budget was spent either directly or indirectly on Agency activities aimed at furthering national nuclear programmes in such countries. Nor should it be forgotten that the technical assistance programme was one of the few Agency activities for which the resources available had been continually expanding.

77. With a view to ensuring that the volume of resources from voluntary contributions would be more predictable - and to facilitate the Secretariat's planning of technical assistance, including that of large-scale, multi-year projects - his delegation was prepared to continue its support of the practice of establishing indicative planning figures for an agreed period of time. Moreover, the Byelorussian Government wished to announce that it would be increasing its voluntary contribution to the Fund in 1986.

78. Finally, his delegation was not able to support the proposal submitted by Belgium, which it did not consider to be in conformity with the Statute.

79. Mr. SPILKER (Federal Republic of Germany) said that his Government, which attached considerable importance to technical assistance, had been able, despite severe budgetary restrictions, to contribute its full share to the Technical Assistance and Co-operation Fund, and it had made

additional contributions for fellowships, experts, equipment, training courses, scientific meetings and co-ordinated research programmes. It had also been able to support a project under the ARCAL arrangements in Latin America. In 1986 it would be paying its full share towards the target for the Technical Assistance and Co-operation Fund.

80. His delegation was in favour of the system of voluntary contributions for technical assistance, which ensured that the provision of assistance remained flexible, depending on the funds available. With regard to the agreement in the Board on indicative planning figures for the years 1987, 1988 and 1989, he drew the Committee's attention to his delegation's statement in the Board immediately before the Conference's session<sup>2/</sup>.

81. Mr. ASMAN (United Republic of Tanzania), noting that technical assistance was one of the Agency's most important activities, said his delegation was in favour of the system of indicative planning figures being applied for the next three years, pending a universally acceptable solution to the question of the financing of technical assistance, as required by resolution GC(XXV)/RES/388.

82. Since that resolution had not yet been fully implemented, his delegation associated itself entirely with the draft resolution sponsored by Brazil, Mexico and Iraq. Finding a realistic solution to the question of implementing resolution GC(XXV)/RES/388 would make it possible for technical assistance to be both reliable and predictable and to meet the increasing needs of developing countries.

83. Mr. NITZSCHE (German Democratic Republic) said that technical assistance was one of the Agency's most important tasks. The continuing increase in real terms of the funds available for technical assistance over a number of years showed how effectively the mechanism now being applied was

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<sup>2/</sup> See document GC(XXIX)/759, Annex.

working: resources had been provided both reliably and predictably. That mechanism was based on certain agreed principles, namely the voluntary character of contributions, payments in national currency, the use of indicative planning figures and the right of all Member States to receive technical assistance from the Agency. The application of those principles helped to meet the Agency's obligations under resolution GC(XXV)/RES/388. The complicated problem of the financing of technical assistance could be dealt with successfully if the interests of both donors and recipients were taken into account and if the proven system currently applied for the provision of technical assistance was maintained. The agreed annual increase in indicative planning figures by 12% from 1987 until 1989 represented a compromise solution. His delegation was not able to endorse the draft resolution proposed by Belgium.

84. Ms. GALLINI (United States of America) said that the system of indicative planning figures for the financing of technical assistance worked well. The overwhelming majority of States had consistently paid their shares towards the targets set, and the targets themselves had risen rather rapidly in recent years. Consequently, the total resources available for technical assistance had almost doubled between 1980 and 1984, whereas the Agency's Regular Budget had seen near-zero real growth.

85. The agreement in the Board to extend indicative planning figures at an annual rate of increase of 12% until 1989 had been a very significant step. On the one hand, by ensuring that indicative planning figures were firmly established until 1989, predictable and assured resources would be made available for financing technical assistance for the foreseeable future. On the other hand, figures that rose substantially from one year to the next would almost certainly make it possible for progress in technical assistance to keep pace with progress in the Agency's other main activities. The fulfilment of those criteria amounted to the implementation of resolution GC(XXV)/RES/388, and she suggested that that resolution could now be considered to have been implemented.

86. Mr. BASTRUP-BIRK (Denmark), welcoming the consensus reached in the Board with respect to indicative planning figures for the next three years, said that the consensus had been a compromise between those Board members who would have wished the targets to be higher and those who had been in favour of more moderate ones. Denmark had pledged its full share of the target for 1986, but annual increases of 12% would depend each year on a decision by the Danish Parliament. While remaining in favour of balanced and modest increases in technical assistance, his delegation wished the system of voluntary contributions to be maintained.

87. Mr. PETROV (Bulgaria) said that his country, which attached considerable importance to the Agency's technical assistance, paid its contributions to the Technical Assistance and Co-operation Fund regularly and assisted the Agency to make effective use of the resources available.

88. Bulgaria was in favour of the principles of making voluntary contributions in national currency and of using indicative planning figures. In fact, not only had Bulgaria itself increased its own contribution to the Fund each year, but the total volume of technical assistance had also increased annually; that demonstrated the effectiveness and viability of the principles he had mentioned. His delegation was unable to support the draft resolution proposed by Belgium; the fact that, with the Belgian formula, certain countries would be deprived of technical assistance meant that it was not in conformity with the Statute, and its adoption might have a negative effect on the future work of the Agency.

89. Mr. BAMSEY (Australia) welcomed the consensus in the Board on indicative planning figures for 1987, 1988 and 1989, which had been possible despite the stringent budgetary restrictions faced by many countries. In fact, it showed the strong commitment of States to the Agency's technical assistance activities. The system of indicative planning figures had worked well, and by means of them higher increases had been achieved than would have been possible with any other method, including the financing of technical assistance from the Regular Budget. He pointed out that the Regular Budget itself had seen zero growth. The application of indicative planning figures in fact fulfilled the requirements of resolution GC(XXV)/RES/388.

90. The CHAIRMAN suggested that the Committee revert to the question of the financing of technical assistance after the written text of the draft resolution sponsored by Brazil, Iraq and Mexico had been circulated in all the working languages.

91. It was so agreed.

STAFFING OF THE AGENCY'S SECRETARIAT (GC(XXIX)/755; GC(XXV)/RES/386;  
GC(XXVIII)/RES/437)

92. The CHAIRMAN said that, in resolution GC(XXVIII)/RES/437, adopted in 1984, the General Conference had requested the Director General to report to it in 1985 on the continuing implementation of resolution GC(XXV)/RES/386, adopted by the General Conference in 1981. Document GC(XXIX)/755 contained statistical data presented by the Director General pursuant to resolution GC(XXVIII)/RES/437.

93. Mr. MORALES (Cuba) thanked the Director General for providing document GC(XXIX)/755. Annex I of the document showed that in 1985 the geographical areas that had improved their representation in the Secretariat had been Western Europe with fifteen additional posts and the Far East with six. If, however, the countries mentioned in Annex I had - as would have been more appropriate - been grouped in accordance with the political classification system applied in other United Nations bodies, the group comprising "Western European and other" countries would have been seen to have increased its representation by 19 new posts, accounting for approximately 67% of the total, whereas developing countries would have obtained only 14 additional posts, representing 50% of the total. Moreover, with regard to changes during the same period by grade of post, nationals of the group of "Western European and other" countries would have been seen to have obtained 33 new posts at the P-4 or higher levels, whereas those of developing countries had obtained only two such additional posts.

94. Annex III showed that 26 candidates from developing countries had been nominated between September 1984 and September 1985, representing 26% of the total, and only five of them had been appointed at the P-4 or higher levels.



Thus, Cuba did not believe that resolution GC(XXV)/RES/386 was being implemented satisfactorily, although one had to acknowledge the efforts made by the Secretariat and the complexity of the problem. Annex X showed that approximately 76% of the posts in the Department of Safeguards were occupied by nationals of countries other than developing ones, while 62% were occupied by nationals of the group of "Western European and other" countries. Only 23% of the posts in that Department were occupied by nationals of developing countries, although it was true that of a total of 35 new appointments in the year 11 had been nationals of developing countries. He hoped that the Secretariat would continue trying to achieve appropriate representation of developing countries in the Department of Safeguards, despite the difficulties it faced. Also, the Secretariat should provide the additional information relating to that question which his delegation had recently requested in the Board of Governors.

95. In conclusion, he said that of the total number of posts subject to geographical distribution in the Secretariat only 21% were occupied by nationals of developing countries, so that the increase during the past four years had been not more than 6%. That increase was insufficient, and the Director General should take additional and effective measures on the basis of resolution GC(XXV)/RES/386 in order that the matter did not become a source of confrontation within the Agency.

96. Mr. BARTELL (United States of America) welcomed the Director General's efforts to comply with resolution GC(XXV)/RES/386 and to increase significantly the number of nationals of developing countries within the Secretariat.

97. It was appropriate that attention should be focused on the situation of groups of countries which might in the past have been under-represented. However, the common interest of all Members in a strong and effective Agency should not be overlooked. The Statute rightly stated that the chief objective was to secure employees of the highest standards of efficiency, technical competence and integrity. His delegation was not convinced that those

criteria had been applied in every case in recent years and wished to emphasize that maintenance of the quality and efficiency of the Agency must always be the paramount consideration.

98. The special nature of the Agency, which was active in a sphere of unique technical complexity and which was of significance to international security, meant that the second-best candidate available for a position of responsibility should never be the one appointed. Nevertheless, where qualifications were comparable it was appropriate to take into account other considerations which might contribute to meeting the goals of the Agency and the international community. The Secretariat had successfully applied itself to the difficult task of attributing the appropriate degree of importance to those factors in its recruitment processes.

99. However, his Government continued to be concerned about the lack of progress made in the employment of women in the Secretariat. There had in fact been no increase in the recruitment of women during the past ten years: in 1975, 11.6% of Professional posts had been held by women, whereas in 1985 women held only 11% of such posts. Also, of the 99 posts advertised and filled during the past year, only 9, or 9.1%, had been given to women. He urged the Secretariat and Member States to make greater efforts to recruit women to positions of responsibility in the Agency.

100. Mr. CHAUDHRI (Pakistan) appreciated the Director General's efforts to implement resolution GC(XXV)/RES/386, which had already partially eliminated the under-representation of developing countries in the Secretariat. Document GC(XXIX)/755 showed that between September 1984 and September 1985 the representation of countries belonging to the Group of 77 had improved slightly, from 20.5% (112 out of a total of 546) to 21.9% (126 out of a total of 574), whereas in September 1981 the corresponding figure had been 15.2% (73 out of a total of 481).

101. It was clearly necessary for that process to continue in order for the imbalance in representation to be eliminated within a relatively short time. He pointed out that developing countries made up nearly two thirds of the

Agency's membership and suggested that a level of representation of approximately one third of the Agency's Professional and higher staff should not be considered either unreasonable or over-ambitious. Many developing countries had people qualified and experienced in the relevant subjects, and it was unlikely that developing countries would be unable to supply such staff for vacancies in the Agency. He therefore looked forward to further efforts by the Director General so that the developing countries would be adequately represented on the Agency's staff and thus contribute more fully to its work.

102. Mr. AKKERMAN (Netherlands), noting that document GC(XXIX)/755 offered a valuable insight into the staffing of the Secretariat, said that the proven qualifications of candidates for posts should be the chief criterion applied in staffing policies. Nevertheless, many delegations felt that a more equitable distribution between staff from industrialized and developing countries was desirable.

103. Mr. USTYUGOV (Union of Soviet Socialist Republics), after referring to his delegation's statement at the Board meetings held before the Conference's current session, welcomed the progress made in implementing resolution GC(XXV)/RES/386. However, he wished to draw the attention of the Committee to the decrease in Professional posts occupied by nationals of Eastern European countries: in fact, in a year the number of Professional posts occupied by staff members from the Soviet Union had decreased by five, which was the largest decrease shown in document GC(XXIX)/755. The Secretariat should take the necessary steps to balance the representation of all areas of the world.

104. In order to avoid confrontation it was necessary not to encroach upon the representation of any group of countries within the Secretariat. The main criterion, however, of staffing policy should be the interests of the Agency itself, which had to remain an effective international organization. All Member States in all areas would benefit from that approach.

105. Mr. BAMSEY (Australia) commended the Secretariat on document GC(XXIX)/755 and said that, in carrying out the task assigned to it by the

General Conference at its twenty-fifth regular session, the Secretariat had of course acted in accordance with the criteria set by the Statute when making appointments. That task had not always been an easy one since it was sometimes difficult to find candidates with appropriate qualifications and, at other times, Member States were unwilling to support their own nationals. It was clear from document GC(XXIX)/755 and similar documents in earlier years that, despite such constraints, the Director General had achieved very positive results with the implementation of resolution GC(XXV)/RES/386.

106. Mr. NEAMU (Romania) said that his Government was in favour of increasing the representation of developing countries within the Secretariat and of raising the overall level at which they were represented. The Director General had, however, made progress towards correcting the present imbalance.

107. Romania had an extensive programme in the peaceful applications of nuclear energy, within which nuclear power played an important part. Apart from the construction of nuclear power stations, his country had developed fuel fabrication technologies and used nuclear techniques in various other spheres. It had a large number of professional staff for all those activities.

108. However, despite participating actively in the Agency's work from the very beginning, Romania had for a number of years been under-represented to the extent of five or six Secretariat posts. A solution to that problem needed to be found, and to that end his Government would be submitting the applications of appropriate candidates for posts in various parts of the Secretariat.

109. The CHAIRMAN said he understood that a draft resolution on the staffing of the Secretariat was in course of preparation and suggested that the Committee revert to its discussion of that question later.

110. It was so agreed.

The meeting rose at 6 p.m.