



International Atomic Energy Agency

GENERAL CONFERENCE

GC(XXX)/779
12 August 1986

GENERAL Distr.

Original: ENGLISH

Thirtieth regular session
Item 13 of the provisional agenda
(GC(XXX)/774)

THE FINANCING OF TECHNICAL ASSISTANCE

Report by the Board of Governors

1. In 1985, the General Conference, by resolution GC(XXIX)/RES/452, requested the Board of Governors to continue to report annually to it on the actions taken with regard to the implementation of its resolution GC(XXV)/RES/388, by which the Conference in 1981 requested the Board to:

- (a) take the necessary measures so that technical assistance is funded through the Regular Budget of the Agency or through other comparably predictable and assured resources,
- (b) take appropriate steps so that technical assistance funds are increased in order to respond adequately to meet increasing financial requirements for the maximum possible number of technically sound projects and to enable progress in technical assistance to keep pace with the progress in other main activities of the Agency, and
- (c) report to the General Conference at its twenty-sixth regular session and annually thereafter on the actions taken with regard to the implementation of these requests and on the actions proposed for the following years.

86-3515
1437Y

2. In the light of General Conference resolution GC(XXIX)/RES/452, an item entitled "The financing of technical assistance" was placed on the agenda for the Board's session held in February 1986.

3. The Chairman of the Board, reporting in February on the consultations she had held since the 1985 session of the General Conference, recalled that agreement had been reached on indicative planning figures to serve as a basis for setting the targets for voluntary contributions to the Technical Assistance and Co-operation Fund in 1987, 1988 and 1989 and stated that the question of the long-term availability of funds for financing technical assistance had been discussed. She reported that there were still those Members who believed that the Agency's technical assistance and co-operation programme should be financed from the Regular Budget and those who thought that the programme should continue to be financed from voluntary contributions. It was agreed that the Chairman, bearing in mind the observations made by Governors during the Board's February session, should hold further consultations and report on them to the Board in June, when the Board might decide on the nature of its report to the General Conference.

4. The Board resumed its consideration of the matter of technical assistance financing in June, when the Chairman reported to it on the consultations held between the Board's February and June sessions. She stated that since the previous session of the Board there did not appear to have been any change in the positions held by delegations on the implementation of resolution GC(XXV)/RES/388 as she had described them in February.

5. The discussion during the Board's June meetings confirmed the picture of the situation given by the Chairman in her report.

6. The Board agreed to continue its efforts directed towards the implementation of General Conference resolution GC(XXV)/RES/388.

7. The summary records of the Board's discussions in February and June on the matter of technical assistance financing are reproduced in the Annex.

Summary records of the discussion on the item
"The financing of technical assistance"
at meetings of the Board of Governors
held in February and June 1986

RECORD OF THE 647th MEETING (held on 19 February 1986)

(c) THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXIX)/RES/452)

50. The CHAIRMAN reminded delegates that sub-item 5(c), entitled "The financing of technical assistance", was before the Board pursuant to resolution GC(XXIX)/RES/452 adopted by the General Conference the previous September. In that resolution the Board was requested to report annually to the General Conference on the actions taken with regard to the implementation of resolution GC(XXV)/RES/388 adopted by the Conference in 1981.

51. The question of the financing of technical assistance had been the subject of extensive discussions, both in the Agency's policy-making organs and in informal consultations, over a period of several years. A practical outcome of those discussions had been the system of indicative planning figures for the target for voluntary contributions to the Technical Assistance and Co-operation Fund. In 1985, agreement had been reached on indicative planning figures for the years 1987, 1988 and 1989.

52. She had also held consultations relating to the long-term availability of funds for financing technical assistance in connection with resolution GC(XXV)/RES/388 and, although the consultations had taken place in a constructive atmosphere, they had not revealed any change in positions since the previous session of the General Conference. There were still those Members who believed that the Agency's technical assistance and co-operation programme should be financed from the Regular Budget and those who thought that the programme should continue to be financed from voluntary contributions. In those circumstances, if the Board so wished, she would continue with the consultations and report again in June 1986.

53. Mr. GOMAA (Egypt) said his delegation regarded the technical assistance programme as one of the main activities of the Agency and considered that the constant increase in the number of technically sound projects submitted to the Agency by developing countries reflected the growing importance which those countries attached to nuclear energy in general and to the Agency as a source of technical assistance for such projects in particular. Clearly the constant increase in requests for technical assistance entailed a growing need for finance. That was why the General Conference had asked the Board to report annually on action taken to implement General Conference resolution GC(XXV)/RES/388, in which the General Conference had requested the Board to take the necessary measures so that technical assistance was funded through the Regular Budget or through other comparably predictable and assured resources, and to take appropriate steps so that technical assistance funds were increased in order to respond adequately to meet increasing financial requirements for the maximum possible number of technically sound projects.

54. The Board was called upon to make maximum efforts to ensure adequate and dependable funding for technical assistance. Those efforts could take the form of consultations and of a joint study aimed at elaborating a system which would turn that objective into a reality.

55. The Egyptian delegation was gratified by the success of the system of indicative planning figures for voluntary contributions and noted with satisfaction the general agreement which had been reached on an annual increase of 12% over the 1986 figure; that system should be maintained until another, more dependable system was found. Unfortunately, however, the funds actually available for technical assistance were declining constantly because amounts pledged were paid late, or irregularly, or not at all. His delegation, along with many others, had already drawn attention to that regrettable situation when the report of the Technical Assistance and Co-operation Committee had been discussed, because they feared that it threatened the credibility of the entire indicative planning figure system.

56. The Egyptian delegation also believed that it was time to reconsider the policy of low growth in the Agency's budget for development activities, since those activities were continuously increasing and demanded adequate and reliable funds, whether through the Regular Budget or from external sources, and since such a policy would hinder those responsible for development activities in carrying out an essential task of the Agency which was of great significance to the majority of the Member States.

57. At all events, his delegation was ready to participate in any consultations or discussions aimed at finding a solution to the important problem of technical assistance financing.

58. Mr. ABOUTAHIR (Morocco) commended the Chairman for her report on her consultations regarding the financing of technical assistance and for her continuing efforts in that respect.

59. His delegation wished to reiterate that technical assistance was an important activity by means of which the Agency carried out its task of promoting the peaceful utilization of nuclear energy.

60. Since the provision of technical assistance was a mutually beneficial activity, it could not continue to be financed on a voluntary basis. It was true that the agreement reached on an annual 12% increase in the indicative planning figures was a major step forward, but the indicative planning figure system as a whole was only a compromise which did not constitute an adequate response to resolution GC(XXV)/RES/388, since it was voluntary and thus incompatible with the requirement that funding for technical assistance should be assured, predictable and adequate.

61. His delegation therefore wished the Chairman to continue her consultations with Governors in the hope of arriving at a practicable solution.

62. Mr. KHAN (Pakistan) said that the subject of financing technical assistance had been exhaustively discussed by the General Conference and the Board and that there was general recognition that technical assistance was as important as safeguards. In that respect, some progress had been made in delegates' perceptions of the role of technical assistance.

63. The question remained how to finance technical assistance: whether the existing ad hoc system should continue or whether more reliable and assured funding should be provided from the Regular Budget. His delegation understood the difficulties some Member States had over financing technical assistance through the Regular Budget, but technical assistance clearly required an assured and predictable source of funding. The indicative planning figure system was at best an interim, provisional method which could not be relied upon sufficiently to formulate long-term plans. His delegation would find acceptable either firm funding commitments over a long period or financing through the Regular Budget.

64. The problem must be solved by means of consultations, and he called on the Chairman to continue to use her good offices towards achieving a compromise in the spirit of resolution GC(XXV)/RES/388.

65. The CHAIRMAN took it that the Board wished her to continue consultations and to report on them in June, when the Board could decide on the nature of its report to the General Conference. In her next round of consultations she would bear in mind the observations made by Governors during the present discussion, and an item entitled "The financing of technical assistance" would be placed on the provisional agenda for the Board's session in June.

66. It was so decided.

PROVISIONAL RECORD OF THE 655th MEETING (held on 13 June 1986)

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXIX)/RES/452)

114. The CHAIRMAN said that the item under discussion was before the Board pursuant to resolution GC(XXIX)/RES/452 adopted by the General Conference in September 1985, in which the Board was requested to report annually to the General Conference on the actions taken with regard to the implementation of resolution GC(XXV)/RES/388 adopted by the Conference in 1981.

115. As agreed by the Board in February, she had held further consultations on the matter, bearing in mind the observations made by Governors during the Board's discussion at that time. Since agreement had already been reached in the previous year on indicative planning figures for 1987, 1988 and 1989, her consultations had again related to the long-term availability of funds for financing technical assistance. The atmosphere at the consultations had been constructive, but they had not revealed any change in positions: there were still Members who believed that the Agency's technical assistance and co-operation programme should be financed from the Regular Budget and others who thought the programme should continue to be financed from voluntary contributions. She had therefore circulated informally a draft text which reflected the situation she had just described and which might serve as a basis for the Board's report to the General Conference.

116. Mr. KENNEDY (United States of America) said that the current mechanism for funding technical assistance had worked extremely well. By means of the system of indicative planning figures, the funds for technical assistance projects had tripled since 1980, an increase which far exceeded the growth in the Regular Budget over the same period.

117. The Board had agreed to increases of 12% per annum in the indicative planning figures for the years 1987, 1988 and 1989. On the basis of that balanced and realistic decision, the Secretariat would be able to plan its technical co-operation programmes over the next few years and remain confident that the necessary resources would be available when needed. That agreement by the Board was thus an important step forward and constituted a further demonstration of the continuing ability of the system of indicative planning figures to provide a predictable and assured basis for the financing of technical assistance. Nevertheless, in view of the extremely difficult financial constraints faced by many Governments, unrealistic expectations about future growth in technical assistance programmes should be avoided.

118. The CHAIRMAN took it that the Board wished to submit to the General Conference, as its report pursuant to resolution GC(XXIX)/RES/452, the draft text she had circulated to the Board[6], with the summary records of the Board's discussion on the item attached to it.

119. It was so decided.

[6] To be issued as document GC(XXX)/779.