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Chairman: Mr. JURZA (Czechoslovakia)

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[*] GC(XXXIV)/914.

The composition of delegations attending the session is given in document GC(XXXIV)/INF/287/Rev.2.

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MEASURES TO STRENGTHEN INTERNATIONAL CO-OPERATION IN MATTERS RELATING TO
NUCLEAR SAFETY AND RADIOLOGICAL PROTECTION

(a) REPORT ON THE IMPLEMENTATION OF RESOLUTION GC(XXXIII)/RES/508
(GC(XXXIV)/919; GC(XXXIV)/INF/282) (continued)

(b) LIABILITY FOR NUCLEAR DAMAGE (GC(XXXIII)/RES/508, para. 3;
GC(XXXIV)/931, Add.1 and Add.1/Corr.1) (continued)

1. Mr. FITZGERALD (Ireland), referring first to sub-item 10(a) of the agenda, said that nuclear safety activities constituted the Agency's most important work. Those activities served as the basis for wide-ranging international cooperation, which was essential in view of the transboundary risks associated with major accidents and the need to provide support and assistance even in the event of smaller accidents, which could also affect the population of a country and cause widespread contamination within its territory.
2. He commended document GC(XXXIV)/919, for its excellent scope and content, and noted with pleasure that, in addition to the technical aspects of safety which were now an integral part of the Agency's activities, attention was being focused on three crucial points. Firstly, on the man-machine interface, which was a vital element in accident prevention, as demonstrated by statistics showing that more than half of the accidents reported were attributed to human error. Secondly, the major role played by regulatory agencies and systems in promoting safety culture was being recognized, to his Government's particular gratification, as it had been pressing for activities to be increased in that area for some years. Thirdly, the safety of ageing reactors was being examined - and indeed was the subject of the special scientific meeting due to take place during the current session of the General Conference. His Government welcomed that fact and hoped that the defects and problems of those reactors would be analysed objectively by the competent authorities. His country intended to participate actively in the preparatory work for the conference on safety to be held in September 1991.
3. Moving on to sub-item 10(b), he expressed appreciation for the work carried out by the Standing Committee on Liability for Nuclear Damage under the chairmanship of Ambassador van Gorkom and hoped that the work would be continued with a view to remedying the many shortcomings of the existing conventions. Convinced that an effective convention on liability had an

essential role to play in international cooperation, given the risks of accidents, his country hoped that solutions would be found to enable it, and other countries, to accede eventually to the Paris and Vienna Conventions. Of the issues covered in document GC(XXXIV)/931, three were particularly important. Firstly, financial compensation should be adequate and not artificially limited, and the existing potential liability of "innocent parties" to make reparation under the Paris and Brussels Conventions should be abolished. Secondly, simple and effective legal procedures should be established for processing and settling the compensation claims made by victims; it was satisfying to see that some progress had been achieved in that area. Thirdly, the difficult question of State liability for broader and more general damage to national economies outside the framework of specific damage needed to be resolved, either by amending the existing conventions or by drafting a new one.

4. His delegation considered that the Standing Committee and the Board of Governors should continue their work on all aspects of liability for nuclear damage and expected that the matter would be discussed again in due course.

5. Mr. HASHIMI (Pakistan), referring to sub-item 10(a), said that his delegation had always supported the Agency's nuclear safety programme. It welcomed the Agency's safety services, including the Assessment of Safety Significant Event Teams (ASSETs) - one of which had visited Pakistan - Operational Safety Review Teams (OSARTs), Radiation Protection Advisory Teams (RAPATs) and missions to review site safety. It believed that the services provided under the Waste Management Advisory Programme (WAMAP) and the Waste Management Assessment and Technical Review Programme (WATRP) should be merged and that, in developing countries, RAPAT and WAMAP missions should be carried out at the same time.

6. The Agency should act as a centre for the collection and exchange of nuclear-safety-related information and, in that context, the establishment of the International Nuclear Information System (INIS), the Power Reactor Information System (PRIS) and more recently the Incident Reporting System (IRS) were welcome developments.

7. His delegation fully supported the Agency's activities relating to the ageing and life extension of reactors and the work which was to be done on WWER

reactors. Large-scale use of nuclear power not being possible without assurances of safety and public acceptance, the Agency should also play a key role in the study of new inherently safe reactor designs.

8. His delegation fully supported the Agency's Nuclear Safety Standards (NUSS) codes. Many countries had based their own regulations entirely on those codes.

9. With regard to sub-item 10(b), his country, although a party to neither the Vienna nor the Paris Conventions, had participated actively in the working group and the Standing Committee on Liability for Nuclear Damage. Many problems were still unresolved, such as geographical scope or the application of the provisions of those conventions to non-Contracting States, the concept of nuclear damage or the inclusion of environmental damage, the question of reciprocity, and so on.

10. Furthermore, since nuclear systems launched into space were destined eventually to fall back to earth, a representative from the Committee on the Peaceful Uses of Outer Space should be invited to participate in the second session of the Standing Committee.

11. In conclusion, his delegation fully supported the recommendations contained in document GC(XXXIV)/919 and approved the adoption of document GC(XXXIV)/931.

12. Mr. RELAN (India) noted that under sub-item 10(a) the Committee had two documents to consider. The first one (GC(XXXIV)/INF/282) had been prepared in response to operative paragraph 4 of resolution GC(XXXIII)/RES/508, and contained replies received from certain Member States to the question whether or to what extent the relevant requirements of their national legislation and regulations were consistent with the revised NUSS codes.

13. His delegation welcomed the revised NUSS codes, which could only help to strengthen the safety of nuclear technology, and endorsed the Secretariat's conclusion in paragraph 6 of the document that the NUSS codes could serve as a useful frame of reference for evaluating the safety of nuclear power plants. His country, having participated actively in the revision of the NUSS codes, wished to reaffirm that although its nuclear power plant safety regulations

differed in certain points of detail, they were generally consistent with those codes. Although the codes were not legally binding, the Indian regulatory programme aimed to attain the high safety objectives implicit in them.

14. His delegation had already had the opportunity to comment on the second document (GC(XXXIV)/919) during the Board's meetings in June, but wished to add the following. In the interests of both the Agency's and Member States' credibility, it was important - as indicated in Section III.1 - to give assurance to a questioning public of the State's commitment to a safety level commensurate with the best policies and practices worldwide. In connection with the strategy described in Section III.2, India was interested in two major activities: promoting regulatory consistency and improving public understanding of radiation risks. Where the former was concerned, support should be given to the proposal that small informal meetings should be organized to exchange information; such meetings would be more beneficial than official symposia or seminars. With regard to event reporting and the communication of information on such events (paragraph 28), India had decided to apply the International Nuclear Event Scale (INES) for a one-year trial period, as suggested by the Agency, and had undertaken to train staff at its plants accordingly.

15. India strongly supported the very important programme on nuclear power plant ageing (paragraph 44), whether it took the form of symposia, seminars or workshops. Fire safety activities (paragraphs 46 and 47) were important as well, and India was following with great interest the work being carried out in that area. His country also agreed with the content of paragraph 48 on research reactor safety and planned to review the safety of its own reactors.

16. Turning to sub-item 10(b), he expressed his delegation's gratitude to the Standing Committee for the substantial progress which had been achieved on various aspects of international civil liability and the State liability regime. Consensus still had to be reached on certain questions, such as geographical scope, the concept of nuclear damage and the extent to which such damage should be covered by a civil liability regime, the possibility of State funding under a civil liability regime and the scope of State intervention in consolidating and processing compensation claims, and so on.

17. His delegation continued to believe that it would be premature to set up a drafting committee for the October session of the Standing Committee, as had been suggested by its chairman. The Standing Committee should first reach broad agreement on all the outstanding questions, since it was essential that the issue of civil liability for nuclear damage be treated as a whole and that due preparation be made for the conference to review the Vienna Convention.

18. With those remarks, his delegation could assure the Standing Committee of its full co-operation.

19. Ms. GARZA SANDOVAL (Mexico), speaking on sub-item 10(a), reiterated the importance which her country attached to strengthening nuclear safety and radiation protection. She accordingly supported the measures proposed to that end in paragraph 87 of document GC(XXXIV)/919, which she hoped the Agency would have enough resources to implement without having to draw on resources allocated to other technical co-operation activities. In particular, it was extremely timely to promote a single intergovernmental system for nuclear event reporting and communication, which would combine the Agency's Incident Reporting System (IRS), the Incident Reporting System of the Nuclear Energy Agency of the Organisation for Economic Co-operation and Development (NEA/OECD) and the International Nuclear Events Scale (INES). Such a system could only serve to strengthen credibility in the area of nuclear safety. She was happy to announce that her country had just joined the Agency's Incident Reporting System, thereby undertaking to fulfil the requirements of that system.

20. Turning to sub-item 10(b), she said that her delegation had taken a very active part in the work of the various Agency bodies which had discussed the question of liability for nuclear damage, in particular the first session of the Standing Committee on Liability for Nuclear Damage, whose report was before the Committee of the Whole in document GC(XXXIV)/931. She did not intend to repeat the comments which she had made on that report since they appeared in the summary record of the Board's discussions on that subject the previous week and since she had requested the Secretariat to distribute the relevant proposals and comments made by Mexico before the second session of the Standing Committee. However, she wished to point out that paragraph 49 of that summary record (reproduced in document GC(XXXIV)/931/Add.1) did not accurately reflect the statement made by the Mexican delegation, which had indicated that it was in

favour of a strong and comprehensive system of international liability for nuclear damage. Her delegation had therefore requested the Secretariat to amend that paragraph accordingly.

21. Mr. AAMODT (Norway), referring to sub-item 10(a), commended the Agency on the activities it had carried out over the last few years, particularly following the Chernobyl accident, with a view to strengthening international cooperation in the areas of nuclear safety, radiation protection and radioactive waste management. The strategy proposed in document GC(XXXIV)/919 for further strengthening that cooperation was appropriate, even if somewhat ambitious. It might require a substantial increase in the Agency's resources. Even if, as was to be hoped, agreement was reached on the expansion of its nuclear safety programme, the Agency would still have to co-operate with other organizations in order to avoid duplication of effort. The Agency's activities should complement those of operators, governments and other organizations such as NEA/OECD and the World Association of Nuclear Operators (WANO).

22. Norway supported the European Community's proposal that the Agency should organize a nuclear safety conference in 1991. That conference should also deal with questions causing public concern and with the role which could be played by nuclear energy in the context of environmental effects.

23. With regard to sub-item 10(b), his delegation noted with satisfaction that progress was being achieved on the question of liability for nuclear damage, even if much still remained to be done. It was very interested in the proposals aimed at reducing or eliminating the discrepancies between the Paris and Vienna Conventions. It supported the work of the Standing Committee and the convening, at an appropriate time, of the revision conference provided for in Article XXVI of the Vienna Convention.

24. Mr. RUIZ (Spain) said, with reference to sub-item 10(a), that his delegation approved document GC(XXXIV)/919 and the conclusions and specific proposals contained in Section V. Those proposals were likely to improve safety in the use of nuclear energy for peaceful purposes. The conclusions showed that it was important to set up an information system in order to restore and maintain public confidence in the safety of nuclear facilities.

25. He welcomed the establishment, in conjunction with NEA/OECD, of the International Nuclear Event Scale which would help to inform the public better of the scale of events that occurred at nuclear facilities.

26. He stressed the importance of initiatives taken by the Agency to harmonize the safety criteria applied and to promote consistency between national regulations. He also reiterated his country's support for the organization of a high-level conference on nuclear safety in 1991.

27. With regard to liability for nuclear damage, his delegation had actively supported the extension to the international level of the regime of civil liability for nuclear damage, and in that spirit had participated in the work of the first session of the Standing Committee, whose report he welcomed. The establishment of an instrument covering all aspects of civil liability, including State funding, should be given the highest priority. It was important that the Standing Committee should continue its work and inform the next session of the General Conference about it through the Board of Governors.

28. Ms. OGUT (Turkey), referring to sub-item 10(b), said that her delegation's views on the matter were well known. Turkey had participated in the working group and the Standing Committee because it believed that liability for nuclear damage would be a key factor for the future use of nuclear energy, and it was ready to continue to support the Standing Committee in its further work.

29. Turkey was party to the Convention on the Physical Protection of Nuclear Material and to the Paris Convention on Third Party Liability in the Field of Nuclear Energy. It had recently ratified the Convention on Early Notification of a Nuclear Accident and the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency and would shortly be depositing the instruments of ratification with the Agency.

30. Mr. LUETHI (Switzerland) welcomed document GC(XXXIV)/919, but wished to comment on three passages in it to complement the points made by his delegation during the general debate.

31. Firstly, he wondered what was meant by the set of "fundamentals" referred to at the end of paragraph 7: was it a set of documents, of guidelines, or a single document? Secondly, regarding paragraph 15 in conjunction with

the scope of the Code of Practice for the International Transboundary Movement of Radioactive Waste (GC(XXXIV)/920), his delegation wished to stress the importance of the classification of wastes: low-level radioactive wastes and chemical wastes should be defined precisely, for example in the event that chemical wastes were also slightly radioactive, or vice versa.

32. Thirdly, Switzerland supported the comparative risk assessment programme referred to in paragraph 81. However, there should be coordination with other international organizations, duplication of effort should be avoided, and some elements of the programme should be transferred to other organizations better able to carry them out. He therefore welcomed the indications given in that respect at the end of paragraph 81.

33. Mr. ALVAREZ GORSIRA (Venezuela) said that the Agency was again to be commended for its activities in the area of nuclear safety and radiation protection. The safe use of nuclear technology was extremely important, since it affected the whole of humanity. Although the Agency's intention to increase its activities in that area was thus welcome, it would be desirable for those activities which were directly related to power plant safety to be financed from extrabudgetary resources, as certain other activities were more directly beneficial to developing countries. That would save financial resources for enhancing safety in radiation applications in medicine, agriculture, industry and research, and for strengthening radiation protection infrastructures in developing countries. Those activities in particular required assured and predictable resources, since they were of greater and more direct benefit to a larger number of countries than other activities.

34. His delegation had participated in the first session of the Standing Committee on Liability for Nuclear Damage. While considerable progress had been achieved, some very important aspects, such as the inclusion of the environment in the definition of nuclear damage and delays in the submission of claims, needed to be studied further. He welcomed the intention to strengthen international cooperation in the area by revising the existing agreements on civil liability for nuclear damage, but reiterated his delegation's view that the Standing Committee should endeavour to work out a comprehensive liability regime for nuclear damage based on State liability.

35. Mr. de la CRUZ (Chile) praised the Standing Committee on Liability for Nuclear Damage for the progress it had made during its first session and thanked the Secretariat for the valuable help it had given to that Committee.

36. His country, which was a party to the Vienna Convention on Civil Liability for Nuclear Damage, had requested the convening of a revision conference for that Convention, the objective of which would be to make the necessary changes to that Convention so that the majority of States could accede to it, thereby making it universal in scope.

37. His delegation was convinced, that very positive results would be obtained in the short term with regard to improving and strengthening the liability regime for nuclear damage, and in conclusion was prepared to approve the Standing Committee's report.

38. Mr. ELYSEU FILHO (Brazil), while appreciating the work thus far accomplished by the Standing Committee, felt that the issue of liability for nuclear damage should be approached in a flexible manner and step by step. Also it was necessary to arrive at a clear and broad definition of nuclear damage, including, for example, damage to persons, property and the environment.

39. Moreover, work in that area should aim at improving not only the civil liability regime, but also, where appropriate, that of State liability.

40. Turning to the comprehensive report on the implementation of resolution GC(XXXIII)/RES/508 submitted in document GC(XXXIV)/919, he noted that its paragraph 23 mentioned the possibility of "a substantial increase in resources over the current staffing levels for nuclear safety ..." and in that context recalled his Government's firm commitment to strengthening nuclear safety while keeping to the principle of zero growth. Such strengthening should not be at the expense of other equally important Agency activities, such as its promotional ones.

41. Mr. KAJNAK (Czechoslovakia) appreciated the important role which the Agency played in strengthening international co-operation in the area of nuclear safety and radiation protection, and in particular the work carried out by the OSARTs which had visited his country in 1989 and 1990. In that context, his delegation approved of the proposed project for international assistance in assessing the safety of 230-model WWER-440 reactors.

42. His delegation welcomed the positive work accomplished by the Standing Committee on Liability for Nuclear Damage and was in favour of convening a revision conference for the Vienna Convention. Lastly, his country fully supported draft resolution GC(XXXIV)/COM.5/82, on measures to strengthen international cooperation in matters relating to nuclear safety and radiological protection, of which it wished to be considered a co-sponsor.

43. Ms. FATIMAH (Malaysia) said that the safety of nuclear power plants and the safe management of radioactive waste were two of the main issues in the debate over the nuclear industry. Nuclear energy would be more widely accepted when public opinion was convinced that both national authorities and international organizations were adequately addressing those issues. In that situation, the Agency was to be commended for the effective role it played in promoting international cooperation and for the assistance it gave to Member States in nuclear safety and waste management; those activities deserved continued support. The fact that States were making increasing use of the Agency's various safety assessment missions suggested that such missions helped to strengthen operational safety and, therefore, public confidence in nuclear energy.

44. Turning to radiological protection, she said that the conclusions of the International Symposium on Radiation Protection Infrastructure held in the Federal Republic of Germany were worrying, indicating as they did that many countries did not have the necessary radiation protection capabilities to deal with the expanding use of radiation sources and radiological practices. Her delegation felt that radiological protection should be an integral part of the development of nuclear applications and that the Agency should cover that aspect in its efforts to promote those applications.

45. With regard to sub-item 10(b), she recalled that her delegation had participated in the working group and the Standing Committee on Liability for Nuclear Damage and considered that the international community needed a comprehensive liability regime including both civil liability and international State liability. She concluded by saying that her delegation approved documents GC(XXXIV)/919 and 931.

46. Mr. YAREMY (Division of Nuclear Safety), replying to a question raised by the representative of Switzerland concerning the set of "international nuclear safety fundamentals" mentioned in paragraph 7 of document GC(XXXIV)/919, said that the Agency had reorganized its Safety Series by establishing a hierarchical categorization of the various documents to be used for regulatory purposes. The Safety Fundamentals were placed at the top of that hierarchy, followed by Standards, Guides and Practices.

47. Within the framework of the NUSS programme itself, there were five different standards, and the goal was to prepare a document which would bracket all the NUSS documents and bring together common elements. It was also planned to work out fundamentals under the Radioactive Waste Safety Standards (RADWASS) programme.

48. Lastly, the International Commission on Radiological Protection (ICRP) was reviewing its recommendations, and Safety Series No. 9 and related documents would have to be revised accordingly.

49. Fundamentals would thus have to be developed in three areas, but it had not yet been decided whether they would be published in a single document or in three or more documents; that would depend on needs.

50. The CHAIRMAN, noting that there were no more speakers, proposed that consideration of sub-items 10(a) and (b) should be suspended and resumed when the draft resolution which was being prepared was available in all the working languages.

51. It was so agreed.

(d) CONVENTION ON THE PHYSICAL PROTECTION OF NUCLEAR MATERIAL
(GC(XXXIII)/RES/510; GC(XXXIV)/INF/284; GC(XXXIV)/COM.5/81)

52. The CHAIRMAN invited the Committee to take up sub-item 10(d), under which the Committee had before it, in document GC(XXXIV)/INF/284, a report on the signature and ratification status of the Convention on the Physical Protection of Nuclear Material and on the meeting of an expert group which had drafted recommendations for facilitating co-operation between the national authorities of Member States parties to the Convention in its implementation. The Committee also had before it a draft resolution, contained in document GC(XXXIV)/COM.5/81.

53. Mr. STRATFORD (United States of America), introducing the draft resolution contained in document GC(XXXIV)/COM.5/81 on behalf of its sponsors, said that 47 States had signed the Convention on the Physical Protection of Nuclear Material and that there were 28 parties to that Convention. The draft resolution in document GC(XXXIV)/COM.5/81 was similar to resolution GC(XXXIII)/RES/510 adopted by the General Conference in 1989, but it took into account the recommendations of the open-ended group of experts which had met in Vienna the previous June. He read out paragraphs 2, 3, 4 and 5 of the draft resolution and concluded by expressing the hope that, given the importance of the Convention on the Physical Protection of Nuclear Material for the safety of all Member States, the General Conference would adopt the draft resolution unanimously.

54. Mr. ZOBOV (Union of Soviet Socialist Republics) joined the sponsors of the draft resolution in document GC(XXXIV)/COM.5/81 and took the opportunity to appeal to all States which had not yet done so - in particular those which had significant nuclear activities or which undertook transports of nuclear material - to accede to the Convention on the Physical Protection of Nuclear Material.

55. The CHAIRMAN said that if there were no objections, he would take it that the Committee of the Whole wished to recommend that the General Conference adopt the draft resolution contained in document GC(XXXIV)/COM.5/81.

56. It was so decided.

(e) CONVENTION ON EARLY NOTIFICATION OF A NUCLEAR ACCIDENT
CONVENTION ON ASSISTANCE IN THE CASE OF A NUCLEAR ACCIDENT OR
RADIOLOGICAL EMERGENCY (GC(XXXIII)/RES/511)

57. The CHAIRMAN, inviting the Committee to turn to sub-item 10(e), said he assumed that the draft resolution being prepared under sub-items 10(a) and (b) would also relate to the two Conventions which were the subject of the present sub-item, so that there would probably be no draft resolution relating to the letter in 1990. He proposed deferring consideration of the sub-item, at least for the time being.

58. It was so agreed.

(f) PROHIBITION OF ALL ARMED ATTACKS AGAINST NUCLEAR INSTALLATIONS DEVOTED TO PEACEFUL PURPOSES WHETHER UNDER CONSTRUCTION OR IN OPERATION

59. The CHAIRMAN, after recalling that the matter was on the agenda as a result of an initiative taken by the delegation of the Islamic Republic of Iran in 1988, said he understood that the Iranian delegation would prefer the Committee to take up the sub-item at a later stage. He therefore suggested that consideration of the sub-item be deferred for the time being.

60. It was so agreed.

THE AGENCY'S PROGRAMME AND BUDGET FOR 1991 AND 1992 (GC(XXXIV)/917)

61. The CHAIRMAN drew the Committee's attention to document GC(XXXIV)/917, which contained, in Annex IV to Part I, three draft resolutions relating, respectively, to the Regular Budget appropriations for 1991, the Technical Assistance and Co-operation Fund allocation for 1991, and the Working Capital Fund in 1991.

62. Mr. KOCH (Federal Republic of Germany) said that, from the point of view of budgetary technique, his delegation would not be in a position to approve the draft programme and budget for 1991 and 1992 as set forth in document (GC(XXXIV)/917). Both in the Administrative and Budgetary Committee and in the Board of Governors, his delegation had expressed its doubts and concerns with regard to certain aspects of budget preparation, but still the draft programme and budget contained a number of deviations from established budgetary principles.

63. Firstly, contrary to the principle whereby all expenditures and all income should be budgeted, it emerged from footnote [6] to draft resolution A that \$85 000 of additional income which was expected in respect of UNDP programme support had not been budgeted, and had not been included in the \$594 000 of programme support income foreseen in Table 3. There had thus been underbudgeting.

64. Secondly, the principle whereby expenditures and income should be presented separately had not been respected: for example, in the first line of Table 46, income had been deducted from expenditures.

65. Thirdly, contrary to the principle of budgetary unity whereby subsidiary budgets should be avoided, Table 2 showed that an amount of \$6.7 million

was foreseen for "acquisition of major equipment" - with no further details, explanations or descriptions - consisting of \$1.2 million for safeguards equipment and \$5.5 million for computer mainframe equipment. Those two amounts should have been budgeted for under "Safeguards" and "Administration", respectively. Furthermore, even though the Board had authorized the operation in question by waiving the Financial Rules, States should still be aware that, as a consequence, some would pay more, and others less, than they should, according to the scale of assessment - which had in fact been changed since that cash surplus had arisen.

66. His country had, on various occasions, shown how it was possible to attain the desired result without departing from the Financial Rules. The Board of Governors had decided to recommend - and the Director General had duly implemented - the solution adopted in the draft programme and budget under consideration, namely a special allocation for the acquisition of major equipment. However, that was a serious deviation from established budgetary procedures, which should be avoided in future. His delegation therefore urged the Committee to request the Director General to return to a strict adherence to the Financial Rules in the preparation and execution of future budgets and programmes.

67. Mr. SAVERIJS (Belgium) said that paragraph 4 of the introduction to the programme entitled "Safety of nuclear installations" on page 227 of document GC(XXXIV)/917 highlighted the importance of an international consensus on safety criteria for future improved and advanced nuclear power plants. However, his delegation failed to see how a consensus could be achieved in such a highly complex field.

68. Pages 310 and 311 listed a number of conferences, symposia and seminars planned for 1991 and 1992. The many representatives of the public and private sectors in Belgium who took part in those meetings wished to make the Agency aware that it was becoming practically impossible to attend all the meetings which seemed of special interest to them. His delegation therefore urged the Agency to try to avoid further increases in the number of its meetings and to favour quality instead.

69. Mr. van ROEDEN (Netherlands) recalled that, at the Board's meetings in June, his country had gone along with the consensus on the programme and

budget for 1991 and 1992 and the increase of the Working Capital Fund. On the whole, the budget seemed well balanced and the funds were allocated in conformity with the priorities set in the programme. However, he wished to draw the Committee's attention to some concerns which his country had expressed during earlier meetings of the Board and the Administrative and Budgetary Committee regarding the use of the cash surplus from 1988. While acknowledging that maintaining zero growth for the seventh consecutive year was making it increasingly difficult for the Agency to meet its programme obligations, his delegation did not think it was desirable to finance equipment and services considered essential for implementing the regular programme from sources other than the Regular Budget. The purchase of at least part of the safeguards and computer equipment in question had high priority and his delegation would therefore have welcomed the inclusion of the necessary funds in the Regular Budget, particularly where the safeguards equipment was concerned. As to the computer equipment, his delegation had welcomed the idea of a replacement fund and looked forward to receiving a more detailed proposal from the Secretariat. The financing of those expenditures from the cash surplus should remain a once-only exception, and the use of that surplus should not result in a structural increase in the Regular Budget in the future. In general, the Secretariat should try to avoid large cash surpluses.

70. The \$2 million increase in the Working Capital Fund seemed reasonable, given the present cash-flow situation. However, in his country's view, that level should be maintained for at least the next three years. The purpose of the Working Capital Fund was to neutralize temporary fluctuations in the Agency's cash flow. It should not be used to cover deficits of a structural nature. In that regard, he referred to the statement made by the Director General during the opening session of the General Conference. The large number of late and uncertain payments were a grave cause for concern. With only four months to go, the Agency had received only 50% of the total assessed contributions of Member States for 1990. By urging the Secretariat to apply sound budgeting techniques and to make optimum use of available resources within the constraints of a zero growth budget, while themselves neglecting their own statutory obligations, Member States forfeited much of their credibility. He therefore appealed to Member States to honour their

obligations for 1990 and to pay their assessed contributions for 1991 in due time and in full so that the Secretariat could implement the programme which was about to be adopted.

71. Ms. LORIA (Italy) said that her delegation had made some preliminary remarks on the programme for 1991 and 1992 in the Administrative and Budgetary Committee, but had refrained from commenting on the same subject at the Board's June meetings because the issue then had been largely, if not exclusively, one of accepting or rejecting a package of proposals, barely negotiated by the Chairman of the Board which her country did not like. Also, her delegation had not wished to block the consensus which had been emerging despite the concern expressed by many Board members. After hearing the statements of some delegations whose views were in line with her own delegation's but which had joined the consensus in favour of adopting that package of proposals at the June Board, her delegation wished to make clear that it also had certain reservations regarding the proposals, in particular those concerning the use of the cash surplus for 1988 and the increase in the Working Capital Fund from \$6 to \$8 million. Her delegation continued to consider that cash surpluses should be returned to Member States and that a large Working Capital Fund would only encourage the lamentable tendency of some Member States not to pay their contributions on time.

72. The preliminary nature of Italy's observations on the programme and budget had been and continued to be due to the fact that a programme could be evaluated and discussed only within the framework of a strategy covering a number of years. Her delegation therefore welcomed the Director General's initiative to draw up a medium-term plan for the period 1993-98, an initiative which the Board had approved the previous week, and fully concurred with the ideas set out in paragraphs 4 and 5 of document GOV/2462. For the meantime, with regard to the programme for 1991 and 1992, her delegation's priorities continued to be nuclear safety and co-operation on new types of reactor with enhanced and inherent passive safety features. The new programme on the comparative assessment of nuclear power and other energy sources had her delegation's wholehearted support provided it was implemented with the full participation of other international organizations.

73. Turning to safeguards, which also constituted a priority area for her country, she said that while recognizing the need to preserve their credibility and

effectiveness, her delegation was convinced that verification approaches should be reviewed so as to concentrate efforts on the sensitive areas of the nuclear fuel cycle, and thus to reduce their total cost. Her delegation hoped that the Standing Advisory Committee on Safeguards Implementation (SAGSI) would soon be in a position to submit concrete proposals on that subject.

74. In conclusion, she said that although her delegation could join a consensus on the draft budget for 1991, it hoped that the Secretariat would take due account of its suggestions for reducing expenditure in the areas of activity which it had indicated in the Administrative and Budgetary Committee in May. With regard to the other measures, namely the use of the cash surplus and the increase in the Working Capital Fund, she reaffirmed her delegation's reservations.

75. Mr. MAEKIPENTTI (Finland) said that the programme for 1991 and 1992 was again based on the zero growth principle, of which, as it had stated on several occasions, his delegation was not a supporter. In his country's view, the programme should first be discussed according to its merits and priorities set by Member States. That was certainly not an easy task, since Member States' needs were extremely varied. However, the current practice had not produced good results. On the one hand, it had not been possible to terminate certain traditional activities which had matured, and on the other hand, it had been necessary to finance important new projects such as the conference on safety through extrabudgetary resources because they could not be incorporated in the programme.

76. With regard to future biennial programmes his country attached great importance to the preparation of the medium-term plan and hoped that it would be a vehicle for reviewing and updating the programme. In so doing, it might be necessary to identify global common problems to the solution of which the Agency could contribute. In that context, the Agency's statutory mission should be kept in mind. That exercise could also result in the identification of activities which were adequately demonstrated or which did not involve any significant application of nuclear energy and could thus if necessary be taken care of by other organizations. That should be done for each ongoing activity. His delegation was confident that such an effort would provide

space for new activities in future biennial programmes. With those remarks, his delegation was prepared to approve the draft programme and budget for 1991 and 1992.

77. Mr. de la CRUZ (Chile) said that an overall analysis of the Agency's programme and budget for 1991 and 1992 showed that there was still an imbalance between the promotional activities, which were essential for developing countries, and the "Safeguards" and "Direction and support" programmes, which accounted for 71% of the Regular Budget. His delegation appealed to the Secretariat to rectify that imbalance.

78. While the modest growth of 0.2% foreseen in the budget for 1991 offered the necessary flexibility to deal with the increasing needs of the various areas of activity, it did not constitute a significant departure from the zero growth policy, nor did it reduce the current imbalances within the Regular Budget. A policy of zero growth or near-zero growth should not permit the return of possible cash surpluses, because that would result in negative growth. His delegation considered that if such surpluses arose in the course of any given year, they should be carried forward and allocated the following year to the Agency's various activities, while maintaining at least the proportions between promotional and regulatory activities laid down in the corresponding budget. Clearly a policy of not returning cash surpluses would require an amendment of the relevant articles of the Financial Regulations, but that would be better than waiving them exceptionally.

79. In conclusion, he reaffirmed his delegation's reservations as to the budget estimates for 1992.

80. Mr. SINAI (India), speaking as Chairman of the Group of 77, reiterated what had been said by his predecessor during the consideration of the Agency's programme and budget for 1991 and 1992 in the Board of Governors in June, namely that there should be a balance between safeguards and promotional activities in the Regular Budget, and that the use of surpluses to finance certain safeguards activities, as proposed in document GC(XXXIV)/917, should be regarded as an exceptional measure and should not set a precedent. It would be recalled that the question of using \$1.2 million from the 1988 cash surplus for the acquisition of safeguards equipment, without any corresponding increase in expenditure on promotional activities, had been the subject of protracted

discussions and negotiations in the Board's June meetings. The Group of 77 had put forward proposals for a balanced use of the 1988 cash surplus, but unfortunately there had not been time to give them proper consideration. He therefore took the present opportunity to reaffirm the Group of 77's position of principle, which was to support a balance between promotional activities and safeguards activities in the future.

81. On behalf of the Indian delegation, he also wished to support the suggestion made at the Board's June meetings that the Secretariat should present a paper giving the actual expenditures on safeguards, technical cooperation and other promotional activities. On that basis, his delegation approved the programme and budget for 1991 and 1992.

82. Mr. ILJAS (Indonesia) said that the Agency's programme and budget for 1991 and 1992 was the result of in-depth consultations between Member States and the Secretariat which should be continued in the future.

83. The budget for 1991 was close to zero growth. Following a series of consultations between Member States, additional allocations had been incorporated for the purchase of safeguards equipment and computer mainframe equipment to be covered by the cash surplus from 1988. His delegation was not in favour of the practice of using funds from previous years' cash surpluses, which it felt should be returned in full to Member States. However, since the overall budget reflected the needs of Member States - and in particular developing countries - his delegation could accept the proposed budget, including the exceptional measure of using part of the 1988 cash surplus.

84. With regard to the proposed programme, the distribution of funds among the three sectors making up the promotional activities appeared well balanced for 1991. The fact that the "Nuclear applications" area was being allocated more than the "Nuclear power and the fuel cycle" and the "Nuclear safety and radiation protection" areas was perfectly understandable. However, in the absence of a medium-term plan, it might not be easy to arrive at an equally credible programme and budget for future years. He therefore urged the Secretariat to draw up such a plan at an early date for the six-year period beyond 1992, so that the Board could establish an appropriate programme and budget for 1992.

85. The funds allocated to nuclear power for 1991 had diminished compared with 1990, and the amount quoted (\$5.9 million) did not seem commensurate with the high costs of implementing a nuclear power project. In that context, discussions at the recent NPT Review Conference had shown the need to strengthen technical assistance in the power sector. That recommendation was especially appropriate since, as could be seen from Implementation Summary IIIA in document GC(XXXIV)/INF/280, the amount allocated to the nuclear power sector in 1989 had represented only 5% of the total funds for technical cooperation. In that light, his delegation wished to thank the Secretariat for having entrusted Indonesia's competent authorities with the responsibility of organizing a seminar which had provided the opportunity for an exchange of information on various ways of financing large-scale electricity projects including nuclear power projects. The question of the OECD understanding on export credits for electricity projects, which favoured fossil fuels over nuclear fuel, had been widely discussed. Although those discussions had not advanced the search for a solution to that problem, they had created a deeper understanding of the matter.

86. In conclusion, he expressed the hope that a carefully established medium-term plan would facilitate the preparation of a balanced budget.

87. Mr. MGBOKWERE (Nigeria) associated himself with the comments made by the representative of India. Having participated in the consultations which had led to a consensus on budget matters during the Board's June meetings, his delegation was in a position to accept the use of the 1988 cash surplus for the purchase of safeguards equipment, especially since it favoured the further strengthening of activities in that area in view of the risks of nuclear proliferation. However, such a use of a cash surplus must remain an exception.

88. He fully supported the increase in the Working Capital Fund, but was concerned that so many Members had not paid their assessed or voluntary contributions for the current budgetary year. He was proud to announce that his country had already paid part of its contribution for 1991, and he urged Member States to fulfil their financial obligations in time, since the Agency was showing exceptional effectiveness and its programmes were expanding. He was also concerned at the insistence on zero budgetary growth, as it was not

logical to encourage the Agency in its efforts while at the same time refusing it any budgetary increase. His delegation was firmly convinced that a modest real increase should be authorized.

89. His delegation was satisfied with the proposed programme, which covered in detail the various areas in which the Agency was engaged and which foresaw an expansion of activities related to nuclear energy and to safety and the new generation of reactors. Emphasis had rightly been placed on improving the safety and reliability of nuclear power plants and reducing their effects on health and the environment. The areas of application of nuclear technology where activities were foreseen had also been wisely chosen.

90. For his country, it was important that the Agency should make use of regional mechanisms to promote technology transfers. He welcomed the fact that the African Regional Co-operative Agreement (AFRA) was to become operational in 1991. He thanked the developed countries which had taken part in the meeting to launch that programme in Cairo and hoped that the statements they had made as to the usefulness of its establishment would lead to contributions on their part. Overall, his delegation considered that the draft programme and budget was transparent and well conceived and had no problems in supporting its adoption.

91. Ms. SCHICK (Australia) said that her country endorsed the draft programme and budget, which in any case was the result of broad and in-depth consultations with Member States. It was a quality document that was a credit to the professionalism of the Agency and the members of its staff who had been so closely involved in its preparation. Importantly, the proposals for 1991 took into account the concern for financial restraint which Member States had expressed by continuing to demand zero budgetary growth.

92. The programme for 1991 and 1992 accurately reflected the needs of Member States. However, it indicated that an increase in the cost of safeguards services was expected, and her delegation considered it essential that requirements in that area be met from the Regular Budget. In view of the need for financial restraint, it would thus be necessary to identify a scale of priorities so that the most important programmes could be given priority.

93. Australia was opposed in principle to the use of cash surpluses to finance expenditures which should be covered by Regular Budget appropriations.

However, her delegation accepted the assurances given by the Director General that the proposal to use a part of the 1988 cash surplus for the purchase of equipment would be an exception. Her delegation was also concerned that, in 1991, essential activities related to the Agency's safeguards functions would have to be financed by voluntary contributions and that important expenditure would be deferred, creating serious difficulties for future years.

94. Lastly, her delegation was in a position to accept the amount proposed for the Working Capital Fund, but must insist that the Fund be used for its intended purpose and not as an excuse for late or incomplete payment of due assessed contributions.

95. Mr. HADDAD (Syrian Arab Republic) endorsed the remarks made by the representative of India, who had among other things requested clarifications concerning the Agency's expenditure on safeguards on the one hand, and on technical assistance and other activities on the other. It would be appropriate to ask the Chairman of the Committee to gather information, particularly regarding the overall expenditure incurred by the Agency for control and inspection activities undertaken in nuclear-weapon countries which had voluntarily accepted safeguards. It seemed to him that such expenditure was increasing and he feared it would become an additional burden for the Agency. For that reason, his delegation was convinced that voluntary acceptance of safeguards did not appreciably further the cause of peace and nuclear safety.

96. Ms. LACANLALE (Philippines) said that she, too, endorsed the statement made by the representative of India on behalf of the Group of 77. Her delegation felt that any increase in the budget should aim to balance safeguards and promotional activities. At the Board's June meetings, her delegation had agreed to the broad proposals concerning the amount of the budget, the Working Capital Fund and the use of the cash surplus. However, it remained of the view that cash surpluses should in principle be returned to Member States.

97. The efforts made by the Secretariat to improve the presentation of the programme and budget should be noted. The increased transparency of the draft programme made it easier to study. The inclusion of initial and tentative

estimates of extrabudgetary and technical cooperation resources also allowed a better overall understanding of the projects which the Agency planned to implement.

98. Her delegation expected that the increase in expenditure on technical cooperation would be accompanied by a deployment of personnel commensurate with the programme's expansion and, as a consequence, by a higher project implementation rate and greater effectiveness in the follow-up and evaluation of projects. Finally, her delegation endorsed the draft budget for 1991 and 1992 and hoped that the medium-term plan would be prepared in time to permit a detailed study of the programme and budget for 1993 and 1994.

99. Mr. ORNSTEIN (Argentina) said that his delegation had carefully examined the draft programme and budget for 1991 and 1992 and was on the whole in a position to approve it. Ever since the zero growth policy had first been applied, his country had maintained that such a freeze of the Agency's programme must not result in promotional activities being sacrificed for regulatory activities; instead, the latter, and in particular safeguards, should be subjected to radical streamlining, without detriment to their credibility, so as to maximize the return from available resources. His delegation therefore endorsed the comments made by the Chairman of the Group of 77.

100. Mr. SAHBOUN (Libyan Arab Jamahiriya) supported the statements made by the representative of India on behalf of the Group of 77 and by other delegations, in particular those of Nigeria and the Syrian Arab Republic. He reiterated his own country's concern about maintaining zero budgetary growth when the Agency had to deal with an increase in requests, particularly from developing countries. That trend was bound to have a negative impact on the proposed programmes, which would have more scope if they were adequately funded. His country supported the adoption of the proposed programme and budget, hoping that no effort would be spared in implementing as effectively as possible the planned promotional activities, the content and results of which would surely provide a basis for the development plans of many States.

101. Mr. GUZMAN (Cuba) said that his delegation had had the opportunity of voicing its opinion on the draft programme and budget during the negotiations and in-depth consultations which had been held on that subject

and would therefore limit itself at the present stage to making some general remarks. In his country's view, the zero growth policy imposed on the Agency hindered the full development of certain programmes which could directly affect the assimilation of technologies by developing countries; it was therefore not acceptable, given the need to reduce the gap which existed in the nuclear area between developing and developed countries.

102. The effects of zero real growth were compounded by the considerable delays with which certain - perfectly solvent - Member States met their financial obligations, and as a result the Agency found itself in an uncertain situation which undoubtedly detracted from the efficiency of the Secretariat's work, and consequently from that of the organization as a whole.

103. With regard to proposed the exceptional use of the 1988 cash surplus, his delegation felt that there should be no surpluses of that sort and that the reason why it had arisen should be closely examined. Nevertheless, his delegation could accept the suggested use while regretting that it was not more balanced. It was absolutely essential that the balance in the budget between the various sectors of the programme should cease to be wishful thinking and become concrete reality. He hoped that matter would in the future receive the necessary attention, to the benefit of the Agency's promotional activities, and he reaffirmed his delegation's support for the statement to that effect made by the Chairman of the Group of 77. That did not mean that his delegation was setting promotional activities against safeguards. It appreciated the latter at their proper value, but felt a need specifically to favour activities which could contribute directly to resolving the very real problems of developing countries. With those comments, his delegation was able to approve the draft resolutions contained in Annex IV to document GC(XXXIV)/917.

The meeting rose at 6.5 p.m.