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Item 19 of the provisional agenda  
(GC(XXXVII)/1052)

## THE FINANCING OF SAFEGUARDS

### Report of the Informal Working Group

1. On 11 June 1993, the Board of Governors considered a report of the informal working group on the financing of safeguards<sup>\*/</sup> on the discussions held in the group since the General Conference's last session.
2. The Board decided to submit the report - pursuant to General Conference resolution GC(XXXVI)/RES/590 - to the General Conference. The report is reproduced in the Annex hereto.

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<sup>\*/</sup> Established by the Board on 2 October 1989 in response to General Conference resolution GC(XXXIII)/RES/513.



## **THE FINANCING OF SAFEGUARDS**

### **Report of the Informal Working Group**

1. In September 1992, the General Conference, in Resolution GC(XXXVI)RES/590, while noting the report by the Informal Working Group on the progress made in 1992, requested the Group "to continue its work so that a consensus may be reached on the arrangements for the future financing of safeguards and to report, through the Board of Governors, to the Conference at its thirty-seventh regular session".
2. In June 1992, the Board of Governors agreed to a recommendation of the Informal Working Group by which "the Group will report to the Board each year during the period 1993-1995 whether the time has come to introduce a revised system of safeguards financing in line with any arrangements which the Board might agree on regarding a streamlined system of safeguards".
3. The Group held a meeting on 26 May 1993 to review the financial impact which new arrangements might have had regarding a streamlined system of safeguards.
4. The discussion was introduced by the Deputy Director General, Head of the Department of Administration, who briefed the Group on the consequences of the new partnership approach with EURATOM on the financing of safeguards. Reference was made to document GOV/2657 (Report of the Director General on SAGSI's re-examination of safeguards implementation) but it was concluded that it is too early to see if any of SAGSI's proposals would have a major impact on resource requirements. No major reduction in inspection workload has so far been identified.

5. It appeared during the discussion that the benefits that arise from the IAEA's continuing efforts to improve cost effectiveness and from the reduction in staff requirements deriving from the implementation of the new partnership approach with EURATOM are counterbalanced by the new safeguards duties which are being undertaken in the Republics of the former USSR.

6. The Group concluded that there were no new elements that justified at this stage the introduction of a revised system of safeguards financing. The Group will keep the issue under close scrutiny.