

# General Conference

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## Fifty-sixth regular session

# Committee of the Whole

## Record of the Ninth Meeting

*on Thursday, 20 September 2012, at 7.45 p.m.*

**Chairman:** Mr SHUKRI (Saudi Arabia)

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<sup>1</sup> GC(56)/19.



## **15. Strengthening of the Agency's technical cooperation activities** (continued) (GC(56)/COM.5/L.5/Rev.1)

### Section 3 (continued)

1. The representative of SOUTH AFRICA expressed support for the suggestion made by the representative of Peru during the previous meeting that “effectiveness”, “efficiency”, “accountability”, “transparency” and “sustainability” be dealt with together, in a single paragraph.
2. Her delegation considered that paragraph 4 adequately covered the issue of reporting; there was no need for the proposed additional paragraphs with references to “the two-step mechanism” and “a new mechanism to enhance compliance ...”. The Committee should not accept wording that implied that the Secretariat was not managing the Agency's technical cooperation activities well.
3. The representative of ITALY, speaking on behalf of the European Union (EU), recalled that she had proposed the deletion of “requests,” in paragraph 1 during the previous meeting, and she proposed the deletion of “requests and” in paragraph (a).
4. For the countries of the EU, the words “effectiveness”, “efficiency”, “accountability”, “transparency” and “sustainability” needed to be included in General Conference resolutions on “Strengthening of the Agency's technical cooperation activities” in order to reassure their citizens that the countries' money was being well spent.
5. She expressed support for the proposal made by the representative of Canada during the previous meeting for the addition of a final operative paragraph reading “Requests the Office of Internal Oversight Services and the External Auditor ... to report the results to the Board of Governors;”.
6. The representative of INDIA said that the Secretariat already had all the mechanisms necessary for overseeing the Agency's technical cooperation activities. What would be achieved by the setting-up of new mechanisms?
7. With regard to the proposed deletion of “requests and” in paragraph (a) and “requests,” in paragraph 1, how was the Secretariat supposed to assess a State's needs if that State did not submit requests?
8. The representative of CANADA said that, in making proposals for amending the draft resolution, he had not meant to imply that the Secretariat was not managing the Agency's technical cooperation activities well. However, major donor States needed to understand how their contributions to the Technical Cooperation Fund (TCF) were being used.
9. With regard to paragraph (b), he was prepared to withdraw his proposal for amending it if the following paragraph, based on wording proposed by the representative of the Philippines as an addition to paragraph (b), were added after paragraph 1: “Requests the Secretariat to take note of outcomes and lessons learned from similar TC projects in the development of national programmes;”.
10. The representative of the BOLIVARIAN REPUBLIC OF VENEZUELA, expressing support for the comments made by the representative of South Africa, said it was important that Member States trust in the Secretariat's ability to manage the Agency's technical cooperation activities well.
11. The representative of INDONESIA called for the retention of “requests and” in paragraph (a) and of “requests,” in paragraph 1.
12. He did not consider it necessary to add “accountability, transparency” in paragraph (b).

13. The outcome of a project was determined long after a project had ended, so there was no need for “outcomes” to be mentioned in section 3, entitled “Effective execution of the Technical Cooperation Programme”.

14. The representative of the PHILIPPINES suggested including the words “and Member States” after “the Secretariat” in the operative paragraph just proposed by the representative of Canada.

15. With regard to the final operative paragraph proposed by the representative of Canada during the previous meeting, she wondered whether it was expected that the Office of Internal Oversight Services and the External Auditor would evaluate all technical cooperation projects, of which there were hundreds. The cost of the Secretariat’s technical cooperation evaluation activities in any given year was equivalent to 0.5–0.7 per cent of the resources of the TCF for that year. Evaluating every project would be much more costly.

16. The representative of the UNITED KINGDOM, expressing support for the proposed deletion of “requests and ” in paragraph (a) and “requests,” in paragraph 1, pointed out that in the Introduction to the Guidelines for the Planning and Design of the IAEA 2014–2015 Technical Cooperation Programme it was stated that “The TC programme is needs-based”.

17. In response to the second question just asked by the representative of India, she said that sometimes a request might be made by a State without there being a real need.

18. As regards the proposed insertion of the words “accountability, transparency” in paragraph (b), the Guidelines for the Planning and Design of the IAEA 2014–2015 Technical Cooperation Programme stated that “The IAEA will continue improving the efficiency, effectiveness, accountability and transparency in all major programmes ...”. It was important that national authorities be convinced that the Agency’s technical cooperation activities were justifiable.

19. The representative of JAPAN expressed support for the insertion of “accountability, transparency” in paragraph (b).

20. As regards the proposed deletion of “requests and” in paragraph (a) and of “requests,” in paragraph 1, perhaps one could use a formulation such as “needs-based requests” in both paragraphs.

21. The DIRECTOR OF THE DIVISION OF PROGRAMME SUPPORT AND COORDINATION, DEPARTMENT OF TECHNICAL COOPERATION, referring to the issue of States’ requests and needs, drew attention to subparagraph 1(f) in section A of document INFCIRC/267 (The Revised Guiding Principles and General Operating Rules to Govern the Provision of Technical Assistance by the Agency), which read “The nature, extent and scope of technical assistance to be provided to the requesting State or group of States shall be defined by the Government or Governments concerned, and the assistance actually provided shall be in conformity with the Government’s request and shall be given only to or through Governments. This definition shall be as precise as possible.”

22. The representative of EGYPT also expressed support for the suggestion that “effectiveness”, “efficiency”, “accountability”, “transparency” and “sustainability” be dealt with together, in a single paragraph.

23. She considered a State’s request for Agency technical assistance to be the expression of a need. It was important that States be able to request technical assistance from the Agency; whether or not the Agency provided the technical assistance was another matter.

24. She wondered whether additional technical cooperation evaluation activities would be funded from the TCF or from the Regular Budget.

25. The DIRECTOR OF THE DIVISION OF PROGRAMME SUPPORT AND COORDINATION, DEPARTMENT OF TECHNICAL COOPERATION, said that the evaluation mechanism envisaged in the final operative paragraph proposed by the representative of Canada would require more funding than 0.5–0.7 per cent of the resources of the TCF.

26. With regard to the idea of regular reporting not only on the implementation but also on the outcomes of technical cooperation projects, outcomes could not normally be assessed until five or six years after project completion. Programme Management Officers and national counterparts already assessed whether the predicted outcomes of projects had been achieved. The process was not yet perfect, but efforts were being made to improve it. A more elaborate process would reduce the availability of TCF resources for other activities.

27. The DIRECTOR OF THE DIVISION OF BUDGET AND FINANCE said that the Regular Budget provided for ten evaluations per annum by the Office of Internal Oversight Services, including evaluations of technical cooperation activities.

28. The basic remit of the External Auditor was to audit the accounts of the Agency. As stated in the Additional Terms of Reference Governing the Audit of the International Atomic Energy Agency (set forth in, for example, document GC(55)/6), the External Auditor, in addition to auditing the accounts, “may make such observations as he/she may deem necessary with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls, and, in general, the financial consequences of administrative practices.” Also, the External Auditor might be requested by the General Conference and the Board to perform certain specific examinations and to issue separate reports on the results. In other words, it was not within the remit of the External Auditor to perform technical cooperation project evaluations. In Attachment 2 to document GC(55)/6, the new External Auditor, the Comptroller and Auditor General of India, had agreed to carry out some performance audits, selected on the basis of the quantum of resources allocated to them and the risk to the effective and efficient operation of the Agency.

29. The representative of FRANCE proposed the deletion of the phrase “, including the provision of sufficient resources,” in paragraph 1, on the grounds that the provision of resources was the responsibility of Member States — not of the Secretariat.

30. He expressed support for the representative of Canada’s proposal for an additional paragraph to be inserted after paragraph 1.

31. The representative of CANADA said that his delegation welcomed the suggestion of the representative of the Philippines for the addition of the words “and Member States” in that paragraph.

32. The purpose of his proposals for the addition of “outcome-driven decision-making and” in paragraph (b) and of “and outcomes” in paragraph 4 and for an additional operative paragraph with a reference to “specific outcomes” was to emphasize the importance of determining the impact of projects in the longer term and not just their achievements immediately upon completion.

33. The representative of the PHILIPPINES expressed support for the formulation “needs-based requests” suggested by the representative of Japan.

34. The representative of the SYRIAN ARAB REPUBLIC said that the Secretariat had various mechanisms for evaluating projects during and after their implementation. Recipient Member States, which appreciated the evaluation efforts of the Secretariat, did not wish to impose further demands on it.

35. As regards the proposed deletion of “requests and” in paragraph (a) and “requests,” in paragraph 1, the needs of a State could best be assessed on the basis of the requests it made.

36. The representative of INDIA, referring to those proposed deletions, drew attention to Article III.A of the Statute, which stated that the Agency was authorized “, if requested to do so, to act as an intermediary for the purpose of securing the performance of services or the supplying of materials, ...”.

37. The representative of COSTA RICA said that nothing in the relevant Agency documents called into question the notion that the Agency provided technical assistance to Member States at their request.

38. The representative of INDIA, supported by the representatives of COSTA RICA and CHINA, said that the proposals calling for increased reporting on technical cooperation projects should be examined from the point of view of the feasibility and cost of reporting on a very large number of projects.

39. The representative of MALAYSIA said that his delegation, while it understood that Member States needed to justify, in the eyes of their people, their contributions to the TCF, considered that there were already sufficient mechanisms for examining how such contributions were used.

40. His delegation was concerned that the proposed final operative paragraph — “Requests the Office of Internal Oversight Services and the External Auditor” — would have significant unwelcome financial implications.

41. The representative of COSTA RICA said that his delegation understood the logic behind the proposal to delete “,including the provision of sufficient resources,” in paragraph 1, but the Secretariat did need sufficient resources in order to carry out the Agency’s technical cooperation activities, and that thought should be reflected in the draft resolution.

42. The representative of JAPAN, having expressed support for the proposed deletion of “, including the provision of sufficient resources,” in paragraph 1, asked why that paragraph started with the phrase “Urges the Secretariat to strengthen” whereas paragraph 14 of resolution GC(55)/RES/11 started with the phrase “Stresses the need to strengthen”.

43. The representative of PERU said that the authors of the draft resolution had tried to combine paragraphs 8, 14 and 18 of resolution GC(55)/RES/11 into a single paragraph in order to streamline the text.

44. The representative of INDIA, supported by the representative of EGYPT, proposed substituting “Agency” for “Secretariat” in paragraph 1.

#### Section 4

45. The representative of the UNITED STATES OF AMERICA, supported by the representative of ITALY, proposed inserting “, preferably in euros and United States dollars,” after “on time” in paragraph 1.

46. The representative of ITALY proposed the addition after paragraph (c), of a paragraph reading “Considering the growing number of countries requiring technical support and the need for a balance between the growing needs of Member States and the funding capabilities of the Agency”.

47. She proposed the addition, at the end of paragraph (d), of the phrase “,which also results in a workload on the Secretariat in terms of upstream work and concept review”. In her delegation’s view, the time and effort devoted by the Secretariat to upstream work and concept review in connection with footnote-a/ projects would be better devoted to projects with secure funding.

48. Noting that paragraph (f) was based largely on paragraph (u) of resolution GC(55)/RES/11, she proposed that the phrase “to continue its efforts to further enhance the effectiveness, efficiency as well as transparency of the TC programme” in paragraph (u) be inserted after “strengthening,” in paragraph (f).

49. The representative of PERU said that there was no need for the additional paragraph proposed by the representative of Italy, since it merely repeated ideas expressed in paragraph (c).

50. As regards the addition to paragraph (d) proposed by the representative of Italy, the technical cooperation workload of the Secretariat was increasing, but that was due not to footnote-a/ projects but to the fact that the number of Member States submitting technical cooperation requests was increasing.

51. His delegation considered that the phrase from paragraph (u) of resolution GC(55)/RES/11 which the representative of Italy wished to see inserted in paragraph (f) was redundant.

52. His delegation was opposed to the proposed insertion of “, preferably in euros and United States dollars,” in paragraph 1. What was important was that contributions to the TCF be paid in full and on time.

53. The representative of the RUSSIAN FEDERATION said that his delegation was also opposed to the insertion of that phrase. The contributions to the TCF were voluntary, and specifying the currencies in which they should be paid could lead to problems for certain countries and impact technical cooperation programme implementation.

54. The representative of CHINA said that the currencies in which voluntary contributions to the TCF were paid should be decided by individual Member States, each of which had its own foreign currency policy. The argument that payment in euros or United States dollars would guarantee the purchasing power of the TCF was undermined by the fluctuations observed in the exchange rates of those currencies over the preceding three years.

55. His delegation believed that any problems arising in connection with the payment of contributions to the TCF in non-convertible currencies could be solved. The most important thing was for Member States to pay their voluntary contributions in full and on time.

56. He hoped that the representative of the United States of America would not insist on his proposal regarding paragraph 1.

57. The representative of SOUTH AFRICA proposed, with respect to paragraph (c), inserting the words “which requires an increase in human resources as well as funding” after the words “and their growing needs” and deleting the words “as well as the limited funding capabilities of the TC programme”.

58. The representative of JAPAN said that her delegation could not go along with that proposal. Paragraph (c) as it stood represented a careful balance between the interests of major donor countries and those of recipient countries.

59. The representative of the UNITED STATES OF AMERICA asked the Secretariat to confirm that it had been able to reduce the amount of non-convertible currencies in Agency accounts from the equivalent of about US \$20 million to the equivalent of about US \$2 million.

60. The additional language for paragraph 1 proposed by his delegation had been intended as a compromise; his delegation did not insist on the payment of contributions to the TCF in euros and United States dollars, hence the word “preferable”.

61. The DIRECTOR OF THE DIVISION OF BUDGET AND FINANCE said that pledges of contributions to the TCF were currently being made in euros, United States dollars and three other currencies. At present, the total amount in the three other currencies was the equivalent of €1.7 million.

62. The representative of the SYRIAN ARAB REPUBLIC said that the draft resolution should be in line with the Agency’s Financial Regulations, which allowed Member States to contribute to the TCF in their national currencies if they had difficulty in contributing in convertible currencies.

63. The representative of the PHILIPPINES said her delegation found it ironic that proposals made by the representative of Italy on behalf of the European Union implied six types of report from the Secretariat, while footnote-a/ projects were identified by the European Union as a cause of increased workload for the Secretariat. She asked that the European Union reconsider the proposals relating to an additional paragraph after paragraph (c) and to paragraph (d).

64. If the proposal relating to paragraph (d) was not withdrawn, she would propose the addition, after “concept review”, of a phrase on the lines of “aware likewise that the reports being requested from the Secretariat in this resolution entail additional administrative work and funding for Major Programme 6”.

65. The representative of ITALY, responding to comments to the effect that proposals made by her would result in increased reporting by the Secretariat, said that the aim of those proposals was the provision by the Secretariat, in documents of existing kinds such as the Agency's Technical Cooperation Reports, of information more detailed and transparent than that currently being provided in those documents.

66. The representative of the ISLAMIC REPUBLIC OF IRAN said that the draft resolution under consideration was a proposal by over one hundred developing Member States, but the Committee of the Whole had already spent a great deal of time on minor aspects of it.

67. The frustration of the sponsors was compounded by the fact that developing Member States had for decades been urging that the Agency's technical cooperation activities be duly funded from the Regular Budget, like activities such as safeguards, rather than being dependent on the result of the humiliating ritual of begging for voluntary contributions from the industrialized Member States.

68. He requested a brief suspension of the meeting, during which Member States that were not members of the Group of 77 and China might formulate their most important points of disagreement with the draft text so that the Group of 77 and China could see whether it was possible to accommodate those points.

**The meeting was suspended at 9.15 p.m. and resumed at 10.30 p.m.**

69. The CHAIRMAN requested the representative of Peru to inform the Committee of developments.

70. The representative of PERU, speaking on behalf of the Group of 77 and China, said that the Committee should complete the first reading of the draft resolution at the current meeting. He appealed to delegations to raise only important issues.

71. The representative of CANADA, referring to section 5, proposed the addition, at the end of paragraph (b), of the phrase "and improve understanding of how TC projects respond to the needs of Member States".

72. The representative of ITALY, also referring to section 5, proposed the deletion of the last part of paragraph (d), starting with "while emphasizing".

73. The representative of PERU, speaking on behalf of the Group of 77 and China, expressed appreciation for those comments and said that the first reading of the draft resolution seemed to have been concluded. The Committee could probably suspend its consideration of the draft resolution until its next meeting.

74. The representative of the ISLAMIC REPUBLIC OF IRAN said it was his understanding that, as a sign of flexibility, the Group of 77 and China would consider the most important proposals made by the representatives of Member States not belonging to it and try to accommodate some of them.

75. The representatives of SOUTH AFRICA, COSTA RICA, the PHILIPPINES, the BOLIVARIAN REPUBLIC OF VENEZUELA, CHINA and INDIA said that the Committee should complete its consideration of the draft resolution at its next meeting.

76. The representative of SPAIN, having thanked the Group of 77 and China for its patience, said that the draft resolution was very important for Spain and the other members of the European Union, which looked forward to constructive consideration of the draft text at the Committee's next meeting.

**The meeting rose at 10.45 p.m.**