

General Conference

GC(SPL.3)/OR.2

Issued: March 2023

General Distribution

Original: English

Third special session

Plenary

Record of the Second Meeting

Held at Headquarters, Vienna, on Friday, 27 January 2023, at 11.45 a.m.

PRESIDENT: Mr CORTESE (Italy)

Contents

Item of the agenda ¹		Paragraphs
2	Arrangements for the Conference	1–4
	(a) Adoption of the agenda and allocation of items for initial discussion	1–2
	(b) Closing date of the session	3–4
3	Examination of delegates' credentials	5–17
4	The Agency's Draft Budget Update for 2023 (Revised)	18–94
5	Scale of Assessment of Member States' Contributions towards the Regular Budget for 2023 (Revised)	95–100
-	Closing of the session	101–105

¹ GC(SPL.3)/3

Abbreviations used in this record

2030 Agenda	Transforming our world: the 2030 Agenda for Sustainable Development
ASHI	after-service health insurance
NPP	nuclear power plant
NPT	Treaty on the Non-Proliferation of Nuclear Weapons
PMO	Policy-Making Organ
TC	technical cooperation
TCF	Technical Cooperation Fund
UN	United Nations
USA	United States of America

2. Arrangements for the Conference (GC(SPL.3)/1)

(a) Adoption of the agenda and allocation of items for initial discussion

1. The PRESIDENT said that the General Committee had met earlier in the day and recommended that the agenda for the third special session should consist of all of the items listed in document GC(SPL.3)/1. With regard to the allocation of items for initial discussion, it had recommended that all items be taken up for discussion as indicated in document GC(SPL.3)/1. With regard to the order of items contained in document GC(SPL.3)/1, the General Committee had recommended that the order should be as set out in that document.

2. It was so decided.

(b) Closing date of the session

3. The PRESIDENT said that the General Committee had recommended that the Conference should set Friday, 27 January 2023, as the closing date of the third special session.

4. It was so decided.

3. Examination of delegates' credentials (GC(SPL.3)/4)

5. The PRESIDENT said that the General Committee had met earlier in the day as a credentials committee, to examine the credentials of all delegates, as provided for in Rule 28 of the Rules of Procedure. After discussion, the Committee had recommended that the General Conference adopt the draft resolution set out in paragraph 10 of its report, contained in document GC(SPL.3)/4.

6. Further credentials had been received from delegations since the report had been issued and the lists of countries contained in paragraphs 3 and 4 of the report were therefore not up to date.

7. Mr ALFOUL (Jordan) said that under no circumstances did the acceptance of Israel's credentials constitute any change in his country's position of considering all territories occupied by Israel on 4 June 1967 to be occupied territories. Israel must withdraw from those territories, including East Jerusalem and the Syrian Golan Heights, in accordance with international law and the resolutions of the UN Security Council and General Assembly. Israel's borders were limited to those provided for in the Jordanian–Israeli peace agreement of 1994. Furthermore, Jordan's joining of the consensus on the report and resolution on the examination of delegates' credentials in no way signified any agreement on its part that Israel's credentials applied to occupied territories.

8. Mr ELMOLLA (Egypt) said that his country's acceptance of Israel's credentials by no means implied recognition of Israel's jurisdiction over the territories occupied since 1967, which included East Jerusalem, the Golan Heights and the Shebaa Farms. The borders of Israel were limited to those set out within the peace agreement between Israel and Egypt.

9. Mr YAZDANI (Islamic Republic of Iran) said that the adoption of the report of the General Committee should under no circumstances be construed as recognition by his Government of the Israeli regime.

10. Mr KHADDOUR (Syrian Arab Republic) said that acceptance of Israel's credentials in no way constituted his country's recognition of that occupying entity, which should withdraw immediately from all occupied territories, including those in Syria.

11. Mr RUIZ BLANCO (Colombia) said that his country would welcome a clarification regarding the decision to include Colombia on the list of countries that had submitted communications not constituting formal credentials, as contained in paragraph 4 of the report. He stressed that Colombia had submitted credentials in due form and should therefore be placed on the list of countries that had submitted credentials satisfying the requirements of Rule 27 of the Rules of Procedure, as contained in paragraph 3.

12. Ms HOURNAU-POUËZAT (France) said that, like Colombia, her country was on the list of countries in paragraph 4, despite having submitted credentials in due form. It should therefore be placed on the appropriate list.

13. The PRESIDENT reiterated that the lists would need to be updated because a large number of credentials had been received after the deadline for submission.

14. Mr CAMPUZANO PIÑA (Mexico) said that his country had just submitted an original copy of its credentials and should therefore be included on the list in paragraph 3.

15. Ms JOHNSON (Director, Office of Legal Affairs) said that original credentials had just been received from Mexico and the Syrian Arab Republic, which should be included on the list in paragraph 3. In the case of Colombia and France, however, only copies had been received. Accordingly, they remained on the list in paragraph 4.

16. The PRESIDENT took it that, having noted the observations and reservations expressed, the Conference was prepared to adopt the draft resolution contained in paragraph 10 of document GC(SPL.3)/4, as amended in accordance with the update given by the Director of the Office of Legal Affairs.

17. It was so decided.

4. The Agency's Draft Budget Update for 2023 (Revised) (GC(SPL.3)/2)

18. The PRESIDENT took it that the Conference wished to approve the draft resolutions as contained in document GC(SPL.3)/2, which reflected the Regular Budget appropriations, the TCF allocation and the Working Capital Fund, all for 2023.

19. It was so decided.

20. The PRESIDENT expressed appreciation to the Chair of the Board of Governors, Mr Ivo Šrámek, for his dedicated and tireless efforts to reach a consensus on the important issue under discussion.

21. Mr KHOKHER (Pakistan), speaking on behalf of the Group of 77 and China, expressed the Group's deep appreciation for the professionalism of the Chair of the Board and his efforts to seek

consensus through a broad, open and extensive consultation process on the budget update for 2023. The Group was also grateful to the Secretariat for the briefings and information provided, including non-papers, in response to queries from Member States.

22. The Group noted with appreciation that the revised proposal on the Agency's draft budget update for 2023 addressed the concerns raised by Member States. A substantive consultation process to adopt the budget update by consensus, ensuring ownership by the Agency's entire membership, had taken place. Additionally, the principle that any revised price adjustment applicable to the Regular Budget must be contingent on a corresponding price adjustment being applied to the TCF target for 2023 — in accordance with the principle agreed since 2009 and as reaffirmed in a 2021 proposal to the Board by the Co-Chairs of the Working Group on the Regular Budget and TCF Targets for 2022–2023 — had been followed.

23. The Group also noted that the high staff-related costs of the total operational Regular Budget would be reduced from 75% to 74% for 2023, with the reduced 1% being used for technical cooperation and other activities. The Group requested that staff-related costs be further cut and used for TC-related activities. Furthermore, the Working Group on the Regular Budget and TCF Targets for 2024–2025 had been convened to examine opportunities for further efficiencies in the Agency's operations, including with respect to staff-related costs, that could be implemented in the 2024–2025 budget cycle, taking into account the importance of the full and effective implementation of existing rules and regulations, including the Staff Regulations.

24. The Group hoped that the extensive discussions held in the preceding two months would help the Agency avoid similar situations in the future, and looked forward to engaging in inclusive, constructive and consensus-based deliberations within the Working Group on the Regular Budget and TCF targets for 2024–2025.

25. Ms MARKOVIC (Sweden), speaking on behalf of the European Union and its member States, said that North Macedonia, Montenegro, Serbia, Albania, Ukraine, the Republic of Moldova, Bosnia and Herzegovina, Georgia, Iceland, Liechtenstein, Norway and San Marino aligned themselves with her statement.

26. Recalling that it was International Holocaust Remembrance Day, she began by paying respect to all victims of that atrocity.

27. The European Union welcomed the consensus reached on the revision of the draft budget update for 2023. In the current challenging circumstances, the acceptance of the budgetary revision was a concrete sign of Member States' support for the Agency's important work. She warmly thanked all those who had contributed to that outcome, in particular the Director General, the Secretariat and the Chair of the Board of Governors.

28. The European Union attached strong importance to the Agency's activities across the spectrum of its mandate and remained committed to ensuring that the Agency was sufficiently and sustainably resourced, effective and efficient, and able to fulfil its legal obligations, carry out its statutory tasks and meet Member States' increasing demands in the core areas of its mandate. On that basis, it had supported an increase in the 2023 budget to partially offset unexpectedly high inflation rates around the world. The European Union strongly hoped that the Agency would, in the future, be able to revert to a more standard procedure for developing and approving the programme and budget, including through the use of the regular price adjustment methodology.

29. The European Union had full confidence in the ability of the Director General and the Secretariat to implement the programme and budget in an effective manner and in conformity with the results based management approach, while ensuring the full and effective implementation of the Agency's

Staff Regulations, International Civil Service Commission rules and other financial regulations. On that basis, there was no need for Member States to micromanage Secretariat processes.

30. The European Union supported the Secretariat in continuing to seek savings and efficiencies in a manner that had the least negative impact on the programme and its balance. While taking note of the 74% cap on the human resources component of the total operational Regular Budget for 2023, she recalled that certain Agency tasks were required by law and must be allocated sufficient resources. Further efficiencies in the Agency's operations, including with respect to staff-related costs, must not compromise the effectiveness of the Agency. That would be an important consideration as the Agency examined opportunities relating to the forthcoming budget cycle.

31. Mindful of the importance of the Agency's TC activities, the European Union supported the decision to increase TCF funding in 2023. She emphasized that all relevant factors must be taken into account when setting TCF targets and there was no straightforward correlation between increases in the Regular Budget and the TCF target.

32. Lastly, the European Union called on all Member States to pay their assessed contributions in full and on time and urged countries in arrears to meet their obligations expeditiously in order to help address current budgetary difficulties.

33. Mr BHATIA (Singapore) said that his country commended the Chair of the Board and his team for their tireless efforts to reach consensus on the draft budget update for 2023. With the resolution of that very important issue, the year had begun on a tentatively promising note.

34. Singapore expressed appreciation to delegations that had raised important issues for Member States' consideration and thanked all parties for the flexibility shown throughout the consultation process. Despite their differences, Member States were capable of engaging, in a constructive spirit, in respectful consultations to achieve the common and worthy goal of ensuring that the Agency was sufficiently resourced to carry out its indispensable nuclear safety, security and safeguards work and help Member States harness the peaceful uses of nuclear energy and technology.

35. Although the approval of the budget update was an important first step, it was also crucial that all Member States continued to pay their contributions in full and on time. In that connection, Singapore hoped that the issue of arrears could be addressed expediently, which would help the Agency rise to current challenges in difficult circumstances.

36. Singapore looked forward to inclusive and constructive deliberations within the Working Group on the Regular Budget and TCF Targets for 2024–2025 and to a productive Programme and Budget Committee in May 2022.

37. Mr SOLANO ORTIZ (Costa Rica) said that his country was grateful for the tireless efforts of the Director General and the Chair of the Board of Governors to prepare for the current meeting. Costa Rica welcomed the consensus reached on the 2023 budget update — a significant achievement for the Agency and for multilateralism in general — and was pleased that the Board's proposal had been formalized through a General Conference resolution.

38. Costa Rica had full confidence in the ability of the Director General and the Secretariat to ensure the implementation of the Agency's Staff Regulations, International Civil Service Commission rules and other relevant financial regulations. The progress achieved by the Fifth Committee of the UN General Assembly had been essential in resolving ambiguities and thus providing legal certainty in the future.

39. The consultation process had been a very valuable learning experience. One of the lessons learned was that the Agency's financial health would depend on compliance with five guiding principles: the

timely payment of dues, transparency, the effective and efficient use of resources, a balance between the Major Programmes and, in particular, a spirit of austerity at all levels, especially during periods of crisis. Costa Rica underscored the need to ensure transparency in management processes and provide detailed reporting on the use of resources.

40. Staunchly committed to multilateralism and to the work of the Agency, Costa Rica had supported the proposals of the Chair of the Board from the outset.

41. Recognizing the Agency's exemplary management, Costa Rica called for the redoubling of efforts to find alternative solutions to certain budgetary pressures, such as those exerted by salaries; identify creative ways to reduce and contain staff-related costs; give due consideration to the impacts of the ASHI scheme on the Agency's projections and finances; and ensure further savings and efficiencies.

42. Member States had a shared responsibility to ensure that the Agency was able to properly discharge its statutory functions. In order for the Agency to continue promoting the peaceful uses of nuclear energy and maintain peace and security through safeguards verification and the nuclear safety and security regime, States must meet their financial obligations, in particular in times of crisis. On that basis, Costa Rica would remain committed to ensuring that the Agency had sufficient resources to fulfil its mandate.

43. Ms HOLGATE (United States of America) expressed her country's appreciation to the Chair of the Board and the Secretariat for guiding the Member States' lengthy negotiations on the 2023 price adjustment. The USA was particularly grateful to the Board for its flexibility and commitment in finding a consensus path forward that protected the financial viability of the Agency and provided it with the necessary resources to fulfil its crucial mandate.

44. She applauded Member States for rightfully deciding by consensus to augment the Agency's budget. As a result of the collective work carried out, the Agency's six Major Programmes would be able to achieve their far-reaching 2023 workplans despite the pressures of extraordinary global inflation and rising energy costs. The Agency was the sole international organization possessing the subject-matter expertise, capacity and mandate to help Member States' meet their shared goals regarding the peaceful use of the atom; an appropriately resourced Agency benefited all parties. The Agency provided solutions to pressing global problems, including fostering climate change mitigation; engendering public confidence in nuclear power through strong safety, security and safeguards measures; and delivering lifesaving technologies, in particular with respect to cancer, to those in need.

45. The USA appreciated above all the bold and effective leadership of the Director General and the courage and professionalism of his team in placing the Agency at the forefront of the most pressing global challenges. They had earned her country's support and admiration. The Agency was, without doubt, the respected partner of choice to advance the peaceful uses of nuclear technology and realize the goals of the NPT.

46. The USA remained staunchly committed to the Agency and its critical mission and looked forward to continued and enhanced cooperation with the Agency and its Member States over the coming year.

47. Mr SOBRAL DUARTE (Brazil) expressed his country's appreciation for the efforts of the President, the Secretariat and the Chair of the Board to achieve a consensus decision on the budget for 2023. Nevertheless, Brazil was of the view that the draft budget update could have been improved, noting in particular that certain elements central to the recent discussions were either not present or not clearly reflected in the document. His country would appreciate, for example, more context with regard to salary increments. That was particularly relevant given the cap on human resources expenditure, which meant that such increases would inevitably affect the budget in future years.

48. Brazil supported efforts to maintain the human resources portion of the overall Regular Budget at a sustainable level and welcomed the proposal to observe the 75% cap on human resources expenditure, which would play an important role in controlling the main driver behind the expansion of the Agency's budget in recent years.

49. The revised price adjustment of 4.9%, which took into account income sources such as accrued interest, would be applied to both the Regular Budget and the TCF in accordance with the principle of parity in the budgetary evolution of those two sources of funding, which Brazil and many other developing countries had long supported.

50. Brazil emphasized the need to engage in discussions on broader budgetary issues, in particular in the context of the Working Group on the Programme and Budget for 2024–2025, with a view to ensuring the long-term sustainability of the Agency's finances.

51. Mr BAKAYEV (Kazakhstan) said that his country commended the Board and the Secretariat on their meticulous work to establish a revised price adjustment and their constructive approach to reaching a consensus on a number of very sensitive issues. The decision to revise the Agency's budget, while unpopular, was necessary to ensure that the Agency remained operational.

52. Kazakhstan supported the initiative to transfer the reduced portion of the operational Regular Budget to the TC programme, stressing that many regions of the world, including Central Asia, relied on technical cooperation to address key development priorities. For its part, Kazakhstan had been implementing TC projects in such vital areas as cancer treatment, biological dosimetry and food irradiation along with the transfer of the territory of the former Semipalatinsk nuclear test site for economic use. It had already paid its original TCF contribution for 2023 and would make an additional contribution on the basis of the revised budget figures.

53. In that connection, Kazakhstan remained concerned that, despite paying their dues and making voluntary contributions, 'homeless' Member States continued to be unfairly deprived of their sovereign right to be elected to the Board and other Agency bodies on the grounds that they were not part of an informal regional group. Maintaining the principled position that any Member States that fulfilled its obligations in good faith should be able to participate in the Agency's decision making process, his country would work to settle the issue once and for all.

54. Mr KHOKHER (Pakistan) said that budgetary decisions must always be — as previously — the product of consensus, underscoring the collective commitment to a well-resourced, effective and efficient Agency that enjoyed Member States' universal support.

55. During the deliberations on the 2023 budget update, a number of important issues had been highlighted concerning the evolution of staff-related costs and the implementation and interpretation of the Staff Regulations, considered to have been the primary cause of the budget shortfall. Pakistan welcomed such a focus, which would aid greater transparency and help to enhance the Agency's efficiency and effectiveness. Accordingly, continued discussions within the Working Group on the Regular Budget and TCF Targets for 2024–2025 would be very useful.

56. Mr YOON Yeonjean (Republic of Korea) said that it was reassuring that the year's work was beginning in the positive spirit of Vienna. His country expressed its deepest gratitude to the Chair of the Board of Governors for his extraordinary stewardship through the complex consultations during the final months of 2022.

57. The Republic of Korea welcomed the Agency's budget update for 2023 as approved by the Board of Governors on 23 December 2022. The Member States and the Secretariat had made meaningful and reasonable compromises to reach a decision, with the shared goal of providing the Agency with sufficient resources to ensure fulfilment of its unique obligations.

58. The Director General was to be commended on agreeing to further reducing the human resources component of the Regular Budget by 1%, beyond the original 75% cap already designed for a sound budget. At the same time, Member States must ensure that that austerity measure would in no way compromise the Agency's critical statutory tasks and its operations. The Republic of Korea restated its full support for the Director General's endeavours. Member States should also do their part and pay their assessed contributions in full and on time in order to guarantee the Agency's effective functioning.

59. Lastly, the Republic of Korea affirmed its continuing commitment to the Agency and its critical work. His country looked forward to actively engaging with the Working Group on the Regular Budget and TCF Targets for 2024–2025 so as to implement the recommendations of the Board of Governors.

60. Mr OLSEN OLIVARES (Chile) said that his country was appreciative of the work done by the Chair of the Board of Governors and his team, the Director General and the Secretariat to reach consensus on a sensitive issue. The inclusive and constructive work during the open consultations had borne fruit.

61. At a particularly turbulent juncture for the international community, the economic and financial consequences of which had had a universal impact, the Agency had demonstrated the importance of its technical and impartial work, not least in the fields of nuclear safety and security.

62. Chile attached an especially high degree of importance to the technical cooperation implemented together with the Agency. TC funding should be of particular concern for the Secretariat and the Member States — and the proposed budget better guaranteed such financing.

63. Mr MOLEKANE (South Africa) said that his country appreciated the extensive efforts made and inclusive approach taken by the Chair of the Board of Governors, supported by the Secretariat, in order to find consensus on the budget update. South Africa paid tribute to all delegations for bringing back the spirit of Vienna, which it hoped would not evaporate. Negotiations and honest engagement were the key to unlocking seemingly intractable challenges; what had been achieved was thanks to full cooperation.

64. In closing, he said that South Africa looked forward to the deliberations of the Working Group on the Regular Budget and TCF Targets for 2024–2025 and would engage constructively in them.

65. Mr WANG Chang (China) said that his country welcomed the General Conference's approval by consensus of the budget update submitted by the Board of Governors, and of the related resolutions. That hard-won result had been achieved thanks to the unremitting efforts of the Chair of the Board of Governors, the tremendous cooperation of Member States and the timely adjustment made by the Secretariat during the months-long discussion. China appreciated the spirit of cooperation shown by all.

66. At a time when severe challenges in the global economic recovery persisted and Member States continued to confront fiscal pressures caused by inflation and other factors, they had done their utmost to increase the Agency's budget, fully reflecting Member States' strong support for the work of the Secretariat. Every financial contribution made by the Member States was very valuable, and his country hoped that the Secretariat would make good use of every penny of the budget in a rational, fitting, precise and efficient manner and would further take cost saving and efficiency measures in order to ensure the proper implementation of all major programmes for socioeconomic development in Member States and to better pursue the goal of atoms for peace and development.

67. The wide-ranging discussions on the budget had resulted in several important areas of consensus, significant not only for the Agency's budget but also for the sustained and healthy development of the organization. Rules must be respected, observed and safeguarded since only by following the rules could the Agency be sure to move forward in the right direction. Rules must be applied to all matters — be they the budget, the Iranian nuclear issue, the disposal of nuclear contaminated water from

Fukushima NPP, or AUKUS. The budget update and related resolutions emphasized the need to fully and effectively implement all the relevant provisions of the Statute, and China once again underlined that the Agency's budget must not be used for nuclear proliferation activities such as AUKUS.

68. His country was also pleased that the Secretariat had committed itself to rectifying the shortfall by the end of 2022. According to the Statute, Member States made decisions and the Secretariat implemented them; all significant issues confronting the Agency must be jointly decided upon by Member States, and the Secretariat must not make any unauthorized decisions.

69. The budgetary structure of the Agency should continue to be optimized. The disproportionately high proportion of staff costs in the Regular Budget was an outstanding issue. Although China understood that the problem had not arisen suddenly and that its resolution would require a process to be followed, it was important to embark on that path. The decision taken by the General Conference to lower staff costs for 2023 by 1% was a crucial step in the right direction, and China hoped that the Secretariat would draw up plans and exert constant efforts to gradually reduce staff costs to a more reasonable level.

70. The TCF — crucial for developing countries — should continue to be increased. The budget update and related resolutions had simultaneously increased the TCF and the Regular Budget and had decided that the resources saved from the 1% reduction in staff costs would be used for technical cooperation and other activities. During the discussions on the budget update, the Group of 77 and the African Group had stressed the importance of maintaining and increasing the TCF. China called on all Member States, in particular developed countries, to actively shoulder their political commitment and responsibility for assessed contributions and to pay their contributions to the TCF in time and in full so as to ensure that TC resources were sufficient, assured and predictable.

71. The Agency's open-ended working group on the Regular Budget and TCF targets would soon start its work. The Board of Governors had given it a clear mandate to discuss and propose options to further improve the efficiency of the Agency's operations, including optimizing the proportion of staff costs. China hoped that the important agreements mentioned previously would be further implemented in the discussions of the working group. His country stood ready to participate in discussions in the working group and hoped that the Agency's budget for each year would continue to be optimized.

72. President Xi Jinping had noted in his new year address that where there was a will, there was a way. China was confident that as long as the Agency — the most important intergovernmental international organization in the nuclear field — always acted in strict accordance with the rules, it would be able to continuously improve itself and discharge its indispensable role more fully.

73. China paid the second largest amount of assessed contributions and was the second largest contributor to the TCF, and always paid on time and in full. His country would continue to support the Agency's work and would cooperate with all Member States and the Secretariat to promote the sustained and steady development of nuclear endeavours and make new contributions to global peace and prosperity.

74. Ms MUÑOZ MERA (Ecuador) said that her country appreciated the professionalism and endeavours of the Chair of the Board of Governors, and the broad and substantive consultation process for agreeing on an update to the Agency's budget. Ecuador was also grateful to the Secretariat for having provided briefings and documents in response to Member States' enquiries.

75. The revised proposal by the Chair of the Board of Governors on the update to the Agency's budget for 2023 had effectively addressed Member States' concerns. Ecuador underlined the principle that any revised price adjustment applied to the Regular Budget would be contingent on the application of a corresponding price adjustment to the TCF target for 2023, in line with the principle agreed since 2009

and as reaffirmed in a 2021 proposal to the Board of Governors by the Co-Chairs of the Working Group on the Regular Budget and TCF Targets for 2022–2023². It was welcome that the high staff costs of the total operational Regular Budget would be reduced from 75% to 74% for 2023 and that the reduced 1% would be used for TC activities. Ecuador joined calls for staff costs to be reduced even further and used for TC activities.

76. The Working Group on the Regular Budget and TCF Targets for 2024–2025 would examine opportunities to increase the efficiency of the Agency’s operations, including with regard to staff-related costs, that could be implemented in the 2024–2025 budget cycle, taking into account the importance of the full and effective implementation of existing rules and regulations, including the Staff Regulations.

77. Lastly, she noted that the extensive, inclusive and constructive discussions over the preceding months had delivered important lessons for the future, in particular with regard to the approval of the Regular Budget and TCF targets for 2024–2025.

78. Mr CAMPUZANO PIÑA (Mexico) said that his country congratulated the Director General, Chair of the Board of Governors and Secretariat on the budget-related consultations. Mexico favoured budget proposals in line with zero nominal growth — or as close to it as possible — and sought to minimize the impact of contributions on public finances. Similarly, it encouraged savings to be promoted, in particular regarding administrative expenses, and substantive programmes and projects to be prioritized. His country also favoured mechanisms to contain costs owing to inflation and exchange rates, while seeking not to affect substantive activities. In addition, growth in the numbers of staff of international organizations should be avoided.

79. It was more imperative than ever to pursue austerity and increase efficiencies with the available resources. The inflation experienced at Headquarters was not unique; it affected many Member States — Mexico was no exception, in particular because of the impact on its public finances in a context of significant domestic budgetary restrictions.

80. Mexico respectfully called on all countries to pay their budget contributions on time and in full, and to meet their targets for the TCF. Everyone should comply and avoid putting the Agency in a difficult situation.

81. Owing to the broad agreement among Member States to the revised proposal, Mexico had shown flexibility in joining the consensus to modify the Agency’s budget so that it could continue to function and fulfil its mandate with its characteristic professionalism, which was all the more important in the current circumstances marked by risks related to radiation and nuclear proliferation.

82. For Mexico — and, it was to be hoped, for all Member States — approval of the budget increase sent a message of full support for the work of the Director General and the entire Secretariat.

83. Mr HIKIHARA (Japan), commending the Chair of the Board of Governors and his team on their leadership and dedicated endeavours and the Secretariat on its valuable support throughout the long budget update process, said that his country attached great value to the Agency’s work. Japan had always trusted in the Secretariat’s way of working and its accountability, and it hoped and believed that it would be able to continue doing so. Appreciative of the spirit of cooperation demonstrated by all Member States, his country hoped that cooperation in such a constructive spirit would continue for the subsequent budget cycle.

84. Responding to previous remarks on ALPS treated water, he said that all rules and regulations had been correctly applied and all standards properly observed, and would continue to be.

² GOV/2021/25

85. Ms FREIJE MURILLO (Honduras), expressing appreciation for the consultation and review process over the preceding months in order to achieve consensus on the Agency's budget for 2023, said that her country was mindful of the need to increase the budget for TC activities, an area that had been prioritized to advance implementation of the 2030 Agenda.

86. The global crisis had bequeathed a complex economic situation. In view of budgetary constraints, resources needed to be focused on work benefiting thousands of people, in particular the promotion of the peaceful uses of nuclear energy and technology and not only in her country's region. Honduras therefore advocated that any price adjustment to the Regular Budget be in line with adjustments to the TCF, so that work on development activities could continue.

87. The complexity of the budget increase clearly demonstrated the need not only for additional extrabudgetary resources but also for coordination between agencies and other partners in order to continue the implementation of nuclear energy and technology for peaceful purposes and for development.

88. Mr ULYANOV (Russian Federation) said that discussions on the budget update had led, some months previously, to very heated arguments. At one point it had seemed likely that the budget would have to be voted on, with all the ensuing negative consequences. He was pleased to note that common sense and the spirit of Vienna had prevailed and a mutually acceptable solution had been found through dialogue and consultations — a very positive result.

89. Mr CHIRÚ OCHOA (Panama) said that the perspicacious leadership of the Chair of the Board of Governors had enabled a solution to be found that struck a balance between the three main areas of the Agency and its promotional and non-promotional activities, enabling it to continue fulfilling its statutory functions, in particular the promotion of the peaceful uses of nuclear energy.

90. As a sign of its unconditional support for multilateralism, and in spite of the budgetary difficulties, Panama had been and intended to continue fulfilling its obligations with regard to the Regular Budget and the TCF. His country set great store by the Agency's assistance to its Member States, in particular concerning the peaceful uses of nuclear science and technology, including technology transfer.

91. However, it was also essential for the Secretariat to continue reducing the current high staff costs and implementing other overall cost control measures with the least negative impact on the TC programme. In particular, the new scales of assessments adopted by virtue of UN General Assembly Resolution A/RES/76/238 significantly affected middle income countries such as Panama by setting ever higher assessments, which in the case under discussion led to a doubling of contributions. Above all, his country called on the Agency to examine the issues produced by such a situation, which made it challenging for many middle income countries to meet their assessments.

92. Lastly, he reiterated his country's support for and confidence in the Director General's leadership, at a time when the Agency was more necessary than ever before.

93. Mr CAMPANA BOLUARTE (Peru), lauding the work of the Chair of the Board of Governors, said that all States must shoulder their responsibilities with regard to the international political situation. The year 2022 had brought serious risks for global nuclear safety, but the Agency had lived up to expectations by mounting a commensurate response.

94. Peru commended the Director General on his endeavours, which would doubtless be continued. For that reason his country had been flexible in approving the budget, confident that the adjustment would serve to bolster the work being done by the Agency.

5. Scale of Assessment of Member States' Contributions towards the Regular Budget for 2023 (Revised) (GC(SPL.3)/5)

95. The PRESIDENT took it that the Conference wished to adopt the draft resolution on page 3 of document GC(SPL.3)/5.

96. It was so decided.

97. The PRESIDENT expressed his satisfaction that the budget update had been agreed upon unanimously.

98. The DIRECTOR GENERAL said that everyone had grounds to be satisfied. Although each country had its particular standpoint and was facing difficult circumstances of varying degrees of severity, the collective duty had been to find the common denominator. Thanking the Chair of the Board of Governors for his work during the process, he noted that many countries had had very firm and seemingly irreconcilable positions, leading to a certain amount of acrimony in the debate. But it was to the credit of the traditions of the Agency that such gaps had been able to be bridged. A glance at any news portal or newspaper showed why the Agency was particularly needed at the current time.

99. In addition to the question of financial resources, the discussions, for all their difficulty, had afforded more clarity vis-à-vis certain competencies and legal aspects of highly important issues related to the authorities of the Director General, the International Civil Service Commission, and the interaction with the normative structure under which the Agency operated. That had enhanced collective knowledge and confidence in what was being done, which was most gratifying.

100. He concluded by saying that it was time to rewind, recalculate and restart.

- Closing of the session

101. The PRESIDENT expressed his gratitude to all Member States for their trust in having elected him as President of the session and for their constructive participation, cooperation and assistance. He thanked the Director General and the Agency's able and dedicated staff — including the interpreters, translators, précis-writers, conference officers, general services staff, security staff and SEC-PMO — for their valuable support. He further thanked the Austrian authorities and the city of Vienna for their traditional hospitality.

102. He said that the third special session of the General Conference was taking place on the International Day of Commemoration in memory of the victims of the Holocaust.

103. He regretted to inform the Conference that the foreign minister of Gabon had recently passed away, and extended the Conference's sincere condolences to the Government of Gabon.

104. In accordance with Rule 48 of the Rules of Procedure of the General Conference, he invited the delegates to observe one minute of silence dedicated to prayer or meditation.

All present rose and stood in silence for one minute.

105. The PRESIDENT declared the third special session of the General Conference closed.

The meeting rose at 12.55 p.m.