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THE AGENCY'S ANNUAL REPORT TO THE GENERAL ASSEMBLY OF THE
UNITED NATIONS FOR THE YEAR 1969-70

Explanatory Note

1. By Resolution GC(XIV)/RES/268 the General Conference requested the Board of Governors to arrange for the preparation of a supplement to the Board's annual report to the General Conference for 1969-70 [1] which, together with that report, constitutes the Agency's report to the General Assembly of the United Nations for that year.
2. The present document contains the supplement, which deals briefly with some developments in the Agency's work during the period 1 July to 1 October 1970. [2]

[1] GC(XIV)/430.

[2] The two documents are being brought to the Assembly's attention by United Nations document A/8034.

SUPPLEMENT TO THE ANNUAL REPORT OF THE BOARD OF GOVERNORS
TO THE GENERAL CONFERENCE FOR 1969-70

Fourteenth regular session of the General Conference

General

1. The fourteenth regular session of the General Conference was held in Vienna from 22 to 28 September 1970. Mr. Sarabhai of India was elected President of the Conference. The following items of direct interest to the United Nations were on the agenda:

- (a) Amendment of Article VI of the Statute; and
- (b) Financing of nuclear projects.

Amendment of Article VI of the Statute

2. The steps taken by the Board of Governors up to June of this year with a view to the amendment of Article VI of the Agency's Statute (which relates to the composition of the Board itself) are outlined in the main body of this report. [1] Five different proposals for amendment had been made, and the Board's observations thereon were set forth in a report to the Conference. [2]

3. As a result of the Conference's discussion of the matter, the amendment that had the largest number of sponsors was approved by 54 votes in favour, 9 against and 13 abstentions. Under this amendment the Board would be enlarged, and in particular the number of Members elected by the Conference would be increased. [3] The Statute provides that the amendment will enter into force upon the deposit of instruments of acceptance thereof by two thirds of all the Members of the Agency. [4]

Financing of nuclear projects

4. The Conference took note of a report by the Board on the financing of nuclear projects [5] which had been prepared pursuant to Resolution GC(XIII)/RES/256 adopted by the Conference last year. The report presented in summary form the results of the first part of a study of the foreign currency requirements which might be involved in the achievement of the relatively modest objectives set by the present nuclear power programmes of developing countries for the next 15 years. It also gave some indications of the type of assistance supplied by major industrialized countries in the past for electrical and nuclear power development.

5. The Conference felt that the study should be extended in scope and in depth. It should pay more attention to small- and medium-sized reactors in connection with their possible role in developing countries, and it should also take into account long-term and indirect benefits of the introduction of nuclear power plants.

[1] GC(XIV)/430, para. 5.

[2] GC(XIV)/437.

[3] The text of the Conference's resolution approving the amendment is reproduced in the Annex hereto.

[4] Article XVIII.C(ii).

[5] GC(XIV)/436. The text of this report has been communicated to the Secretary-General as an addendum to the Agency's report relating to recommendations made by the Conference of Non-Nuclear-Weapon States (GC(XIV)/INF/120 - United Nations document A/8079).

Other action taken by the Conference

6. In addition the Conference:
- (a) Approved the Agency's budget for 1971 totalling US \$17 029 000, as well as an increase from \$2 million to \$2.5 million in the target for voluntary contributions by Member States to the General Fund for next year; and
 - (b) Elected Brazil, Chile, the Syrian Arab Republic, Thailand and the Netherlands to serve on the Board for two years.

SafeguardsThe Agency's activities in connection with the Treaty on the Non-Proliferation of Nuclear Weapons

7. The Safeguards Committee (1970) established by the Board in April [6] met for the first time on 12 June; it had held a total of 33 meetings with an average participation of some 40 Member States by the time it adjourned on 22 July.

8. In the course of these meetings, attention was mainly given to the detailed elaboration of the structure and content of the first of two parts of the agreements to be concluded between the Agency and States in connection with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). Part I of these agreements will establish the basic rights and obligations of the parties and will include, inter alia, general provisions concerning the manner in which safeguards are to be applied, national systems of materials control, the provision of information to the Agency, the Agency's inspectors, the non-application of safeguards to nuclear material used in non-peaceful activities, questions of third party liability and international responsibility, and measures in relation to verification of non-diversion of nuclear material. The Committee devoted several meetings to an initial discussion of safeguards financing, and this matter is to be taken up again in due course. The Committee also had an initial exchange of views on Part II of agreements in order to identify the key issues which would have to be resolved in formulating the relevant provisions; this Part will specify the detailed implementation of the safeguards provisions of Part I and lay down procedures therefor.

9. The first report by the Committee was considered by the Board on 28 July, when the Board requested the Director General to use the material for Part I of agreements which the Committee had formulated as a basis for negotiations with States party to NPT in accordance with Article III thereof. [7]

10. The Safeguards Committee will reconvene on 13 October in order to discuss Part II of agreements, questions relating to the financing of safeguards and various other matters which have not yet been completely resolved in respect of Part I.

Technical work on safeguards

11. A technical working group convened to advise the Director General on the requirements for the verification of nuclear materials was held in Vienna from 14 to 18 September. The topics discussed included the principles of verification, record and reports requirements and the conceptual design of a safeguards information handling system. Recommendations made by this working group, as well as by earlier working groups, expert panels and individual consultants, are reflected in the material on Part II of safeguards agreements which will be before the Safeguards Committee (1970) in October. [8]

[6] See para. 2 of the main body of this report, document GC(XIV)/430.

[7] By 15 October 1970 twenty formal requests to begin negotiations had been received by the Director General.

[8] See para. 10 above.

12. A symposium on progress in safeguards techniques was held at Karlsruhe, Federal Republic of Germany, from 6 to 10 July. It was attended by 227 participants from 32 countries and six international organizations, and 66 papers from 14 countries and three international organizations were presented. The symposium disclosed the large effort being devoted to all aspects of safeguards research and development in a number of Member States, and showed that substantial advances have been made in systems analysis, methods, techniques and instrumentation.

The Agency's technical programme

13. The Agency organized the following meetings of special interest during the period covered by this supplement:

- (a) A symposium in New York from 10 to 14 August on the environmental aspects of power stations. There were 357 participants from 25 countries and ten international organizations. This was the Agency's first meeting to examine the overall environmental effects of nuclear power. A series of technical sessions was held to consider five major subject areas: nuclear power as an energy source; standards for the control of effluents; effluent control and monitoring; considerations affecting power station site selection; and benefit-risk assessment. Consideration was given to the siting of both nuclear and fossil steam power stations. It was concluded that no significant change to the environment had occurred as a result of operating nuclear power plants; and
- (b) A symposium in São Paulo from 17 to 21 August on the recovery of uranium from its ores and other sources. There were 61 participants from 20 countries. The symposium reviewed current techniques as well as research and development programmes on new processes. It was conceived as a medium of discussion and exchange of ideas to enable countries wishing to develop their uranium resources to benefit from information made available by others already doing so.

International Nuclear Information System

14. The International Nuclear Information System (INIS)[9] became operational early in 1970 with a limited subject scope, which included the more essential part of nuclear science and technology, as well as border-line fields of special interest to developing countries. The number of reports handled each month has increased from an initial 147 in May to 3172 in October 1970.

15. In consultation with other interested organizations, the Agency has prepared a set of guiding manuals for the preparation of input for INIS. The training of national staff for input preparation is of great importance for the success of the project. In this connection the Agency will hold a seminar in November/December in Bombay, for the training of specialists from national information centres in South East Asia and the Far East.

Food irradiation

16. In collaboration with the Food and Agriculture Organization of the United Nations and the European Nuclear Energy Agency of the Organisation for Economic Co-operation and Development the Agency established an international project for wholesomeness testing of irradiated food, open to Member States of these organizations. The agreement for this project was signed on 14 October 1970 and will enter into force on 1 January 1971 for an initial period of five years. The project is expected to facilitate international and national clearances, for human consumption, of selected irradiated foodstuffs. The cash and material contributions to the project will amount to about \$300 000 annually.

[9] This computerized system for collecting and distributing nuclear information is described in paras 88-90 of the main body of the report, document GC(XIV)/430.

17. The main purpose of the Agency's programme in the area of food preservation is to increase the world's food supply through assistance in reducing losses by using the irradiation techniques to disinfect stored agricultural products; to extend the market life of perishable food products, and to sterilize food.

Fourth International Conference on the Peaceful Uses of Atomic Energy

18. Owing to budgetary restrictions, the Fourth International Conference on the Peaceful Uses of Atomic Energy will be more limited in scope than the previous ones. In accordance with General Assembly Resolution 2309(XXII), the agenda will be of interest to "public officials, economists and planners, as well as technologists". It will deal mainly with nuclear power, fuels, materials and fuel cycles; health, safety and legal matters; applications of isotopes and radiation; international and administrative questions; and problems of interest to developing countries. The Agency will print the pre-conference documentation and the proceedings. The Agency's regular conference programme for 1971-72 has been reduced to accommodate participation in the Conference.

19. The preparatory work for the Conference is now well advanced and includes completion of the annotated agenda, the rules of procedure, the instructions for authors, a note on the governmental scientific exhibition and the establishment of the nucleus of the Scientific Secretariat. In order to keep the number of papers within the limit set by the United Nations Scientific Advisory Committee, it has become necessary to reduce by 40% the number of papers that can be accepted from any participating Government as compared to the Conference in 1964.

The Agency's technical co-operation programmes

20. An amount of \$2 582 000 has been budgeted for the Agency's 1971 regular programme of technical assistance financed from voluntary contributions, i. e. \$1.9 million for projects providing expert services and equipment and \$682 000 for training. By the end of the fourteenth regular session of the General Conference pledges of voluntary contributions to the General Fund for 1971 had been received from 55 Member States in a total amount of \$1 196 706, which represents about 48% of the target. On this basis it is estimated that voluntary contributions for 1971 may amount to \$2.1 million, or about 84% of the target. This will be the largest aggregate contribution made in any year and the closest approach to the target.

21. In June the Governing Council of the United Nations Development Programme (UNDP) approved two new projects under its Special Fund component for which the Agency was designated as the executing agency:

| Recipient country | Title of the project | Project duration (years) | Government and UNDP contributions \$ | Total of the project \$ |
|-------------------|--|--------------------------|--|-------------------------|
| Greece | Exploration for uranium in Central and Eastern Macedonia and Thrace | 1-1/2 | 251 300 ^{a/} 305 800 ^{b/} | 557 100 |
| Pakistan | Detailed exploration of uranium and other radioactive occurrences in the Siwalik sandstones in the Dera Ghazi Khan District, West Pakistan | 2 | 456 500 ^{a/} 403 400 ^{b/} | 859 900 |

a/ Government contribution.

b/ UNDP contribution.

The work programme will be planned and carried out in association with the United Nations.

22. From the growing number of requests at present under review for large-scale UNDP assistance in the atomic energy field, it is evident that the Agency will gradually be able to make a larger contribution to the technological advancement of the developing countries. It is also expected that the range of Special Fund projects executed by the Agency will continue to widen to include assistance in the industrial applications of isotopes and radiation and in the establishment of specialized atomic energy institutions to meet country and regional demands for the services that nuclear technology can provide.

Other reports to the General Assembly

23. Pursuant to General Assembly Resolutions 2605 A and B (XXIV) the Agency submitted the following reports to the Secretary-General on 31 August 1970:

- (a) A report relating to recommendations made by the Conference of Non-Nuclear-Weapon States[10]; and
- (b) A report on the progress of the Agency's further studies and activities in connection with nuclear explosions for peaceful purposes[11].

24. A group of experts to consider the question of the international observation of peaceful nuclear explosions will be convened at the Headquarters of the Agency from 23 to 27 November 1970. The group will advise the Director General regarding the purpose and character of the "appropriate international observation" referred to in Article V of NPT and the role that the Agency might perform in this connection.

[10] GC(XIV)/INF/120.

[11] GC(XIV)/INF/121.

ANNEX

The text of a resolution adopted by the General Conference
on 28 September 1970

GC(XIV)/RES/272. AMENDMENT OF ARTICLE VI OF
THE STATUTE

The General Conference,

- (a) Recalling Resolutions GC(XII)/RES/241 and GC(XIII)/RES/261 whereby it requested the Board of Governors to undertake a review of Article VI of the Statute and to continue the study of the problem as an urgent matter, respectively,
- (b) Noting that the Ad Hoc Committee of the Whole to Review Article VI of the Statute, established by the Board in February 1969, has afforded an opportunity to all Members of the Agency to participate in the discussions which took place during 11 meetings of the Committee,
- (c) Noting further that the Board has also studied the problem in the course of nine meetings,
- (d) Having examined the proposals for amendment of Article VI contained in part A of document GC(XIV)/437, and
- (e) Having considered the Board's report contained in part B of, and in the Appendix to, document GC(XIV)/437, which constitute the Board's observations on the amendments, submitted in accordance with Article XVIII.C(i) of the Statute,
1. Approves the following amendment of paragraphs A, B, C and D of Article VI of the Statute:
- (a) Replace sub-paragraphs A.1-A.3 by the following:
1. The outgoing Board of Governors shall designate for membership on the Board the nine members most advanced in the technology of atomic energy including the production of source materials, and the member most advanced in the technology of atomic energy including the production of source materials in each of the following areas in which none of the aforesaid nine is located:
 - (1) North America
 - (2) Latin America
 - (3) Western Europe
 - (4) Eastern Europe
 - (5) Africa
 - (6) Middle East and South Asia
 - (7) South East Asia and the Pacific
 - (8) Far East.
 2. The General Conference shall elect to membership of the Board of Governors:
 - (a) Twenty members, with due regard to equitable representation on the Board as a whole of the members in the areas listed in sub-paragraph A-1 of this article, so that the Board shall at all times include in this category five representatives of the area of Latin America, four representatives of the area of Western Europe, three representatives of the area of Eastern Europe, four representatives of the area of Africa, two representatives of the area of the Middle East and South Asia, one representative of the area of South East Asia and the Pacific,

and one representative of the area of the Far East. No member in this category in any one term of office will be eligible for re-election in the same category for the following term of office; and

- (b) One further member from among the members in the following areas:

Middle East and South Asia
South East Asia and the Pacific
Far East;

- (c) One further member from among the members in the following areas:

Africa
Middle East and South Asia
South East Asia and the Pacific.

- (b) In paragraph B:

(i) First sentence - replace "sub-paragraphs A-1 and A-2" by "sub-paragraph A-1" and

(ii) Second sentence - replace "sub-paragraph A-3" by "sub-paragraph A-2";

- (c) In paragraph C, replace "sub-paragraphs A-1 and A-2" by "sub-paragraph A-1"; and

- (d) In paragraph D, replace "sub-paragraph A-3" by "sub-paragraph A-2", and delete the second sentence;

2. Urges all Members of the Agency to accept this amendment as soon as possible in accordance with their respective constitutional procedures, as provided for in Article XVIII.C(ii) of the Statute; and

3. Requests the Director General to report to the General Conference at its fifteenth regular session on the progress made towards entry into force of the amendment.