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General Conference

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Agenda item 13
(GC(XIII)/418)

THE AGENCY'S BUDGET FOR 1970

Report of the Programme, Technical and Budget Committee

Rapporteur: Mr. Z. NEJEDLÝ (Czechoslovak Socialist Republic)

1. At its eighty-sixth and eighty-seventh meetings on 25 September 1969 the Committee considered item 13 of the agenda - The Agency's Budget for 1970^{1/}. In addition it had before it a draft resolution on Financing of Nuclear Projects presented jointly by the delegations of Argentina, Chile, Ceylon, India, Jamaica, Madagascar, Pakistan, Panama, the Philippines, Singapore, Thailand, Turkey, the United Arab Republic, Uganda and Yugoslavia.
2. In the course of a general debate on the budget several delegations expressed reservations about the allocation of budgetary resources to the safeguards programme to the potential detriment of other Agency activities. Some reservations were also expressed concerning the development of the International Nuclear Information System, and some delegates expressed the view that the future activities of the Agency's laboratories should not be expanded. Several speakers deplored the steady decrease in funds available for technical assistance.
3. At the conclusion of the general debate the Committee proceeded to vote on the budget for 1970. Draft resolution A on Regular Budget Appropriations for 1970 was approved by 45 votes in favour, none against and 12 abstentions. Draft resolution B on Operational Budget Allocations for 1970 and C on Use of Working Capital Fund in 1970 were unanimously approved without a vote.

^{1/} GC(XIII)/405.

4. There was considerable discussion on the subject of the joint draft resolution concerning the financing of nuclear projects, the main concern of some delegates being the short time available between now and the fourteenth regular session of the General Conference, for the comprehensive study called for by the resolution. It was agreed to amend the draft resolution in the sense that the Board should report to the Conference on the progress of the study at its regular session next year. The draft resolution, as amended was adopted without vote.

5. The Committee accordingly recommends the General Conference to adopt the draft resolutions presented in Annexes I-IV.

A N N E X I

REGULAR BUDGET APPROPRIATIONS FOR 1970

The General Conference,

Accepting the recommendations of the Board of Governors relating to the Regular Budget of the Agency for 1970^{1/},

1. Appropriates an amount of \$12 250 000 for the administrative expenses of the Agency in 1970, as follows:

<u>Section</u>	<u>United States dollars</u>
1. Policy-making organs	560 000
2. Panels and committees	197 000
3. Seminars, symposia and conference	140 000
4. Distribution of information	243 000
5. Scientific and technical services	894 400
6. Salaries and wages	4 847 700
7. Common staff costs	1 798 500
8. Duty travel and missions	179 600
9. Representation and hospitality	35 500
10. Common services, equipment and supplies	852 500
11. Operational facilities	1 129 800
12. Safeguards	1 272 000
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Sub-total	12 150 000
13. Contingent extraordinary expenditures	100 000
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TOTAL	12 250 000

2. Decides that the foregoing appropriation shall be financed as follows:

- (a) \$225 000 from miscellaneous income, including refunds from the United Nations Joint Staff Pension Fund;
- (b) \$172 000 from the Special Account of the United Nations; and

- (c) \$11 853 000 from contributions by Member States on the basis of a scale of assessments to be determined by the General Conference, the contributions being adjusted pursuant to the Agency's Financial Regulations^{2/} to take account of the cash surplus for 1967;

3. Decides further that the Agency's administrative expenses in 1970 shall not exceed the sub-total of \$12 150 000 given in paragraph 1 of this resolution, unless the Board of Governors decides that a need for additional, extraordinary expenditures has arisen;

4. Requests the Board, if it should so decide, to authorize the Director General to use, for the purpose of meeting that need, the funds appropriated for Section 13 up to the limit of \$100 000; and

5. Authorizes the Director General:

- (a) In respect of the Agency's publications, to incur expenditure additional to the US \$140 000 for which provision is made under Section 4 of paragraph 1 above, provided that such expenditure is entirely financed from the proceeds of the sale of publications; and
- (b) With the prior approval of the Board of Governors, to make transfers between any of the Sections listed in paragraph 1 above.

1/ GC(XIII)/405.

2/ INFCIRC/8/Rev.1.

A N N E X II

OPERATIONAL BUDGET ALLOCATIONS FOR 1970

The General Conference,

(a) Accepting the recommendations of the Board of Governors relating to the Agency's operational programme for 1970^{1/}, and

(b) Noting that funds from various sources, estimated at US \$587 000 are expected to be available for that programme,

1. Decides that for 1970 the target for voluntary contributions to the General Fund shall be US \$2 million;
2. Urges all Member States to make voluntary contributions to the General Fund for 1970 in accordance with Article XIV.F of the Statute and with the terms of paragraph 2 and 3 of its Resolution GC(V)/RES/100, so that this target may be reached;
3. Allocates the following sums for the Agency's operational programme in 1970:

	<u>United States</u> <u>dollars</u>
Operating Fund I	650 000
Operating Fund II	1 937 000
	<u>2 587 000</u>

4. Authorizes the Director General to employ staff and incur other expenditure for the Laboratory in addition to that for which provision is made in the budget for 1970, provided that the emoluments of such staff and other costs are met from revenues arising out of work performed in the Laboratory for Member States, research grants, special contributions or other sources extraneous to the Regular and Operational Budgets for 1970.

^{1/} GC(XIII)/405.

A N N E X III

USE OF THE WORKING CAPITAL FUND IN 1970

The General Conference,

Accepting the proposal of the Board of Governors relating to the level of the Agency's Working Capital Fund in 1970,^{1/}

1. Decides that in 1970 the Agency's Working Capital Fund shall remain at US \$2 million and shall be financed, administered and used in accordance with the relevant provisions of the Agency's Financial Regulations^{2/};
2. Authorizes the Director General to make advances from the Fund:
 - (a) Not exceeding \$25 000 at any time, to finance temporarily projects or activities of a strictly self-liquidating character which will not necessitate an increase in the Fund in future years; and
 - (b) With the prior approval of the Board of Governors, unless in his opinion the situation requires immediate action before such approval can be obtained, to meet the cost incurred by the Agency in organizing and rendering emergency assistance to Member States in connection with radiation accidents, up to US \$50 000 in each case; and
3. Requests the Director General to submit to the Board periodic statements of advances made from the Fund under the authority given in paragraph 2 above.

^{1/} GC(XIII)/405.

^{2/} INFCIRC/8/Rev.1.

A N N E X I V

FINANCING OF NUCLEAR PROJECTS

The General Conference,

(a) Recognizing that the application of nuclear energy in the production of power and the use of radioisotopes and radiation in food preservation, agriculture, health, medicine, hydrology and geological prospection have reached a stage at which they can help to accelerate the economic and technical advancement of developing countries,

(b) Realizing that the benefits of peaceful applications of nuclear energy should be shared by and made accessible to all nations, and that the growing disparity in their distribution among advanced and developing countries should be reduced,

(c) Aware of the difficulties experienced by the developing countries in obtaining the necessary financing for nuclear projects, including the training of manpower and the establishment of essential facilities, even when such projects are found to be technically feasible and economically viable,

(d) Aware also that the limited means at the disposal of the Agency fall far short of the increasing needs of developing Member States for technical assistance, and

(e) Taking into account the discussions on this subject at the twelfth session of the General Conference and in the Board of Governors,

1. Requests the Director General to make a comprehensive study of the likely capital and foreign exchange requirements for nuclear projects in developing countries during the next decade, and of ways and means to secure financing for such projects from international and other sources on favourable terms, particularly in the form of grants or long-term loans at low interest, and to make suggestions concerning a constructive role which the Agency could play in this regard, and

2. Requests the Board of Governors to review the progress of this study and to report thereon to the General Conference at its fourteenth regular session.

