



International Atomic Energy Agency

# GENERAL CONFERENCE

GC(XXIV)/COM.5/OR.21  
January 1981\*  
GENERAL Distr.  
ENGLISH

TWENTY-FOURTH REGULAR SESSION: 22-26 SEPTEMBER 1980

COMMITTEE OF THE WHOLE

RECORD OF THE TWENTY-FIRST MEETING

Held at the Neue Hofburg, Vienna,  
on Thursday, 25 September 1980, at 3.20 p.m.

Chairman: Mr. SIAZON (Philippines)

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\*/ A provisional version of this document was issued on 6 October 1980.

\*\*/ GC(XXIV)/637.

The composition of delegations attending the session is given in documents GC(XXIV)/INF/193/Rev.3, 193/Rev.3/Mod.1 and 193/Rev.3/Mod.2.

THE FINANCING OF SAFEGUARDS (GC(XXIV)/633) (continued)

1. Mr. KHAN (Pakistan) said that he could accept the revised arrangements proposed in document GC(XXIV)/633, applicable for the period 1981-83, provided it was understood that those arrangements were provisional. Pakistan's acceptance did not mean that it no longer believed that safeguards expenses should be completely separated from non-safeguards expenses. There had been much discussion as to how that separation could be made and, if the necessary extra effort were put forth, it should be possible to find a solution. The expenses relating to administration, general services and the running of the Agency's Headquarters were extremely high, and were not at present properly allocated between activities relating to safeguards and those unrelated to them. Such expenses therefore constituted a financial burden which was too heavy for many countries. It was necessary to adopt a satisfactory accounting system and, to do so, a detailed manual, making it possible to eliminate any confusion between different categories of expenditure, should be compiled.
2. Mr. CASTRO MADERO (Argentina) and Mr. GARCÍA-LÓPEZ SANTAOLALLA (Mexico) supported the delegate of Pakistan.
3. Mr. THOMAS (German Democratic Republic) believed that other United Nations bodies had already considered the possibility of allocating all their costs, particularly administrative ones, among the various programmes concerned, but had rejected that procedure on the grounds of its high cost and the implementation problems it would involve. He wanted to know whether any developments had in fact occurred along those lines.
4. Mr. ABBADESSA (Director, Division of Budget and Finance) replied that so far no United Nations body had introduced such a cost allocation system.
5. Mr. BROWN (United States of America) and Mr. LOOSCH (Federal Republic of Germany) declared themselves in favour of the revised arrangements proposed in document GC(XXIV)/633, which should correct certain anomalies, provided that strict account was taken of what had been agreed concerning cost allocation at the Board's discussions in June 1980.
6. The CHAIRMAN stated that if there were no objections he would consider that the Committee decided to recommend that the General Conference adopt the draft resolution contained in document GC(XXIV)/633.
7. It was so decided.

SCALE OF ASSESSMENT OF MEMBERS' CONTRIBUTIONS FOR 1981 (GC(XXIV)/634)

8. Mr. LÓPEZ-MENCHERO (Spain) stressed that the draft resolution contained in document GC(XXIV)/634 was based in particular on the revised arrangements relating to the financing of safeguards appearing in document GC(XXIV)/633. The Spanish delegation therefore wished to refer the Committee to the statement it had made on the subject during the discussion on item 10 of the agenda.<sup>1/</sup>
9. The CHAIRMAN stated that if there were no objections he would consider that the Committee had decided to recommend that the General Conference adopt the draft resolution contained in document GC(XXIV)/634.
10. It was so decided.

AMENDMENT OF ARTICLE VI.A.2 OF THE STATUTE (GC(XXIV)/632, 632/Add.1;  
GC(XXIV)/COM.5/12)

11. Mr. STROHAL (Yugoslavia), introducing the draft resolution contained in document GC(XXIV)/COM.5/12, recalled that the problem of the representation of Member States on the Board of Governors had been under examination for a number of years. It had frequently been stressed that certain regions were under-represented and, at its last session, the General Conference had requested the Board of Governors to give the question thorough consideration. As it had not been possible since that time to reach a consensus, it appeared necessary to continue the study of the problem, which was the purpose of the draft resolution before the Committee. He mentioned that a small amendment should be made in the second line of the operative paragraph, where the word "earlier" should be replaced by "above".
12. Mr. THOMAS (German Democratic Republic) suggested replacing "earlier" by "above-mentioned".
13. Mr. HAWAS (Egypt) said that no one had yet cast any doubt on the need for equitable representation of States, and it was indisputable that two areas of the world were under-represented on the Board. That opinion had been supported by many delegations not only in the Agency but also in other forums - in particular at the first regular meeting of the Non-Aligned Co-ordinating Countries on the Peaceful Uses of Nuclear Energy - and likewise in a number of United Nations General Assembly resolutions. Knowing that its area was paying dearly for such an inequitable allocation, Egypt had at the outset requested

<sup>1/</sup> See GC(XXIV)/COM.5/OR.20, para. 39.

that Africa be given three seats; while it supported the Yugoslav draft resolution, it none the less stood firmly by its original position as regards those three additional seats.

14. Mr. GARCÍA-LÓPEZ SANTAOLALLA (Mexico) supported the draft resolution submitted by Yugoslavia, with the amendment proposed by the delegate of the German Democratic Republic.

15. Mr. LÓPEZ-MENCHERO (Spain) reaffirmed Spain's position as set forth by his delegation at the twenty-third session of the General Conference. The Spanish delegation would study with interest any amendment of the Statute which might respond to the desire of Spain and other States to sit on the Board more often. He felt that the way in which the draft resolution before the meeting was presented would not help in finding a solution to the problem. The Spanish delegation therefore proposed that the draft resolution be given a new title -- namely, "Amendment of Article VI of the Statute" -- and that, in the operative part of the resolution, after the words "the above-mentioned Resolutions", the following phrase be added: "in the context of Article VI as a whole".

16. Mr. CHAGULA (United Republic of Tanzania) recalled that at its twenty-second regular session the General Conference had already requested the Board to re-examine the matter of the Board's composition and to submit its observations on the subject to its twenty-third session. At the twenty-third session, after noting Resolution 32/49 of the United Nations General Assembly, the General Conference had again addressed the same request to the Board, whose observations were to be submitted to it at the present session. Document GC(XXIV)/632 was simply a catalogue of statements made on the issue during the Board's meetings. It emerged that no progress had been made, and it would be quite pointless once again to refer the question to the Board, where the same discussions would recommence.

17. The General Conference should do its utmost to resolve the problem at the present session. The best solution would be to decide to grant provisionally three additional seats to Africa and two to the Middle East and South Asia; the Committee should submit a recommendation to that effect to the General Conference.

18. Mr. STROHAL (Yugoslavia) replied to the representative of Spain that the title of document GC(XXIV)/COM.5/12 was simply taken from the agenda, while the text of the draft resolution was exactly the same as that adopted at the last session of the General Conference.

19. Mr. MESSAN (Niger), recalling that the participants at the World Energy Conference in Munich had condemned attitudes of fatalism and resignation, said that all countries without exception were affected by the energy problem. The fact that two areas were under-represented in one of the Agency's policy-making bodies was an anomaly and an injustice incompatible with that principle. The group of African countries, with the support of other States, had therefore requested that that state of affairs be changed in order to allow each country to play its part fully: action on that request had been regularly shelved. While supporting the Yugoslav draft resolution, Niger was therefore insisting that the African countries' request, which aimed at achieving the full participation of everyone in the common task, be thoroughly understood by the General Conference, especially as it was a perfectly normal desire.

20. Mr. KHAN (Pakistan) felt that the change proposed by the delegate of Spain was not a minor one at all. He was prepared to accept the amendment proposed by Yugoslavia, as modified by the German Democratic Republic, but no other change was admissible, since the text was the outcome of difficult negotiations. He trusted that it would not be necessary to reopen the discussion, but reserved the right to come back to the matter if necessary.

21. Mr. FARAHAT (Qatar) considered that the amendment proposed by the Spanish delegation would dilute the content of the draft resolution.

22. Mr. HAWAS (Egypt) supported the delegate of Pakistan. The revision of Article VI as a whole was a luxury which Africa could not permit itself and was in any case not included in the agenda.

23. Mr. LÓPEZ-MENCHERO (Spain) acknowledged that the title of the agenda item could not be changed. The choice of title for a draft resolution, however, was up to its author, and in the present case nothing prevented the author from deleting "A.2". None the less, the Spanish delegation would not insist on that change, as it was quite clear that it was sub-paragraph A.2 which was meant.

24. Without diluting the text of the draft resolution, the amendment which Spain was proposing to the operative paragraph would enable greater support to be gathered for amending sub-paragraph A.2 of Article VI. Moreover, he did not see why the proposed amendment had aroused negative reactions, since any revision by the Board of Article VI.A.2 would necessarily fit into the general context of Article VI as a whole.

25. Mr. ERICSSON (Sweden) recalled that the Swedish Government had on numerous occasions expressed its dissatisfaction with the way it was represented on the Board. It hoped that the forthcoming elections would enable Sweden to sit on the Board.
26. Mr. HAWAS (Egypt) said that the very terms of Resolution GC(XXIII)/RES/370 meant that the point in question was the representation of Africa and the Middle East and South Asia on the Board of Governors.
27. Mr. TALIANI (Italy), like the delegate from Spain, considered it quite clear that the Board would examine the question taking the whole of Article VI into account. It was therefore perhaps unnecessary to add the phrase proposed by the Spanish delegation.
28. The CHAIRMAN pointed out that, in order to examine the change proposed in the context of Article VI as a whole, the Board did not require a General Conference resolution. In the light of the interpretation given by the delegate of Italy, he considered that it might be possible for the Spanish delegation to accept the draft resolution, with the amendment proposed by the German Democratic Republic.
29. Mr. LÓPEZ-MENCHERO (Spain) said that he could accept the draft resolution as it stood, provided however that the interpretation of the Italian delegation, in the form that the Chairman had just confirmed, was included in the record of the discussions.
30. Mr. KHAN (Pakistan) said that the records of the Committee's discussions would be submitted to the Board of Governors, and that the Committee should now take a decision on the draft resolution.
31. The CHAIRMAN said that the Committee had three proposals before it: the draft resolution submitted by Yugoslavia, the amendment proposed by the Spanish delegation and the proposal of several African delegations to give three and two additional seats to Africa and the Middle East and South Asia respectively.
32. Delegations had stated their interpretation of the operative part of the draft resolution, and the Committee could now perhaps come to a consensus on the draft.

33. Mr. LÓPEZ-MENCHERO (Spain) thought the Yugoslav draft resolution, as modified by the German Democratic Republic, could be approved by consensus, subject to the interpretation given by the Italian and Spanish delegations, and to that of the Chairman, according to which the Board would consider the matter in the context of Article VI as a whole.
34. The CHAIRMAN said he wished to make it clear that he had never stated that the Board would examine the question taking account of Article VI as a whole, but simply that the Board did not require the instructions of the General Conference to do so. He proposed that the Committee adjourn for a while in order to permit delegations to harmonize their points of view on all the outstanding questions.
- The meeting was suspended at 4.15 p.m. and resumed at 4.25 p.m.
35. The CHAIRMAN observed that an agreement seemed to have been reached regarding the draft resolution in document GC(XXIV)/COM.5/12, as amended at the present meeting by the delegations of Yugoslavia and the German Democratic Republic. He proposed that the Committee adopt the draft resolution thus amended.
36. It was so decided.
37. Mr. BENNINI (Algeria) regretted that, having failed to reach agreement on the composition of the Board, the General Conference should once again be referring the question to the Board. He hoped that the Members of the Board would put the principle of equitable geographical distribution, a principle vital to the health of the organization, before regional interests.
38. Mr. LÓPEZ-MENCHERO (Spain) stated that his delegation had joined the consensus on the draft resolution submitted by Yugoslavia, on the understanding that the Board would have the option of considering all the consequences of any proposal for modification of Article VI of the Statute and that, in doing so, it would take account of all the interests involved.
39. The CHAIRMAN stated that, as had been agreed, he would report orally to the General Conference on the Committee's work.
40. Mr. MALU wa KALENGA (Zaire), speaking on behalf of the group of African countries, thanked the Chairman for the way in which he had guided the Committee's discussions.

The meeting rose at 4.30 p.m.