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COMMITTEE OF THE WHOLE

PROVISIONAL RECORD OF THE THIRTY-FIRST MEETING

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on Tuesday, 11 October 1983, at 3.15 p.m.

Chairman: Mr. SINGH (Malaysia)

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**/ GC (XXVII) / 700.

The composition of delegations attending the session is given in document
GC (XXVII) / INF / 215 / Rev.4.

ELECTION OF VICE-CHAIRMEN AND ORGANIZATION OF WORK

1. The CHAIRMAN said he understood that a consensus had been reached on the choice of two Vice-Chairmen and proposed Mr. de Castro Neves (Brazil) and Mr. Kattan (Saudi Arabia).
2. If there were no objection, he would take it that the Committee of the Whole wished to designate Mr. de Castro Neves and Mr. Kattan as Vice-Chairmen in accordance with Rule 46 of the Rules of Procedure of the General Conference.
3. It was so decided.
4. The CHAIRMAN pointed out that document GC(XXVII)/COM.5/25 listed the nine items on the agenda referred to the Committee by the General Conference. He proposed that those items should be considered in the order in which they appeared in that document.
5. It was so agreed.
6. The CHAIRMAN proposed that, as in the past, he himself should present an oral report to the General Conference at a plenary meeting on the deliberations of the Committee, which would also be the subject of detailed summary records.
7. It was so decided.

REQUEST FOR MEMBERSHIP OF THE AGENCY

(b) CHINESE AS A WORKING LANGUAGE OF THE GENERAL CONFERENCE (GC(XXVII)/697)

8. Mr. CONSTANTIN (Romania) said that the draft resolution submitted by his delegation (GC(XXVII)/697) was the outcome of the important decision taken by the General Conference at a plenary meeting in approving the People's Republic of China for membership of the Agency. The draft was intended to make Chinese, already an official language of the General Conference, a working language of the latter and, as a result, to facilitate to a considerable extent the participation of the People's Republic of China in the Agency's many-sided activities. More specifically, it was a question of amending Rule 86 of the Rules of Procedure of the General Conference by adding the word "Chinese" after the word "Arabic" in the second sentence.

9. Mr. SIEVERING (Deputy Director General, Head of the Department of Administration) said that, on behalf of the Director General, he wished to make a statement on the administrative and financial implications of the draft resolution. If Chinese became a working language of the General Conference, services for interpreting from and into Chinese would have to be provided during sessions of the General Conference, both at plenary meetings and for the Committee of the Whole and the General Committee meetings. In addition, under Rule 88 of the Rules of Procedure the summary records of the meetings and all important documents would be issued in Chinese. Estimates of manpower requirements that the Secretariat had undertaken accordingly covered both the translation of General Conference documents and the interpreting services to be provided during the sessions.

10. Depending on the date on which, in consultation with the People's Republic of China, implementation of the Conference resolution, if adopted, would begin, the translation of General Conference documents would require the full-time services of a translator/reviser and a secretary/typist for a period of nine months, and the full-time services of a translator and typist for a period of six months. It might also be necessary to make provision for the recruitment of temporary staff or to have translations done outside. Furthermore, the services of eight interpreters would have to be provided for the 1984 session of the General Conference, representing a total of 40 man-days.

11. For an exchange rate of 17.50 schillings to the US dollar, the total expenditure involved, which would also cover the purchase of typewriters with Chinese characters and the printing of General Conference documents, would be US \$150 000. That figure would also be valid for 1985, and possibly for 1986.

12. The People's Republic of China had been informed that allowance had not been made, when drafting the 1984 budget, for the administrative and financial implications of the proposal, procedures for the implementation of which were currently being discussed with the Chinese authorities. Starting from 1985, however, it would be possible to provide funds in the Regular Budget to cover the cost of introducing Chinese as a working language of the General Conference.

13. Mr. BRUSH (United States of America), noting that the Agency's Regular Budget for 1984 did not provide funds for the use of Chinese as a working language of the General Conference, said his delegation was nevertheless willing to approve the Romanian draft resolution, on the understanding that some additional voluntary resources - of one kind or another - would be available from sources other than the Agency's budget to implement the resolution in question for the 1984 session of the General Conference.

14. Mr. SIEVERING (Deputy Director General, Head of the Department of Administration), replying to the representative of the United States, confirmed that voluntary resources from sources other than the Agency's budget would be necessary to implement the Romanian proposal, if adopted, in 1984.

15. Mr. HAWAS (Egypt) commended the Romanian delegation on its initiative, which he supported wholeheartedly.

16. The CHAIRMAN said that, if there were no objections, he would take it that the Committee wished to recommend to the General Conference that it adopt the draft resolution contained in document GC(XXVII)/697.

17. It was so decided.

THE AGENCY'S ACCOUNTS FOR 1982 (GC(XXVII)/685)

18. Mr. MAHMOUD (Iraq) commended the Secretariat on the high calibre and clarity of document GC(XXVII)/685. His delegation proposed that the Committee should adopt the draft resolution contained in Part I of the document.

19. Mr. KENYERES (Hungary) said that the competent Hungarian authorities had examined the Agency's accounts for 1982 and were satisfied with the report of the External Auditor.

20. His delegation was perturbed, however, by the non-payment of voluntary contributions to the Technical Assistance and Co-operation Fund; he requested the Secretariat to take steps to speed up the collection of those contributions. He was also concerned by the 13% reduction in the UNDP funds allocated to utilization of nuclear energy for peaceful purposes. It seemed to indicate a dwindling of the resources placed at the disposal of UNDP, which could be explained by the fact that certain countries had not given sufficiently high priority to nuclear power programmes which nonetheless deserved UNDP approval.

21. Some obligations relating to research contracts had not yet been liquidated. It would be worth while, in that respect, improving the flexibility of the machinery by which research contracts were financed or, in other words, authorizing in exceptional cases the carry-over of unliquidated obligations to the following year.

22. Apart from those remarks, the Hungarian delegation took note of the Agency's accounts for 1982.

23. The CHAIRMAN said that if there were no objections he would take it that the Committee wished to recommend to the General Conference that it adopt the draft resolution contained in Part I of document GC(XXVII)/685.

24. It was so decided.

THE AGENCY'S BUDGET FOR 1984 (GC(XXVII)/686 and 686/Mod.1, GC(XXVII)/COM.5/26 and COM.5/27)

The Agency's budget for 1984 (GC(XXVII)/686 and 686/Mod.1)

25. The CHAIRMAN drew the Committee's attention to the revised draft resolution on the allocation of funds to the Regular Budget for 1984 (GC(XXVII)/686/Mod.1).

26. He recalled that at its meetings in June 1983 the Board of Governors had decided that the sum of US \$85 000 included in the draft budget for 1984 to finance a study on international plutonium storage would not be spent until the Board had taken a decision on that matter in 1984.

27. Mr. RUGGIERO (Italy) recalled that his delegation had already had occasion to express its views on the budget for 1984 in the Administrative and Budgetary Committee and in the Board of Governors. It was in a position to approve the budget, but urged the Secretariat to ensure that the resources available were used as effectively as possible and that expenditures, especially on meetings, travel and computer services, were reduced.

28. A number of Member States, Italy included, which were already experiencing economic and financial difficulties, were now being called upon to make a particularly great effort, not only because a 2% increase in the

Agency's programme meant a 10% increase in their contributions, but also because the strengthening of the dollar against their national currencies automatically resulted in a further augmentation of their contributions, and the new scale of assessment to be applied in 1984 would be an additional financial burden. As a result of those circumstances Italy's contribution for 1984, for example, had undergone an increase of 35% compared with 1983. His country had shown particular interest in a number of Agency programmes by making extrabudgetary contributions available that had enabled it to continue them despite cuts in the Regular Budget. However, the Agency could not count indefinitely on extrabudgetary resources, which Member States would sooner or later be forced to cut down in order to meet ever-growing financial obligations towards the Regular Budget.

29. The time had come therefore for the Secretariat to adopt a priority-oriented approach by which it could focus its efforts and resources on activities for which international co-operation was really essential. The Secretariat was therefore advised, for that purpose, to carry out an evaluation of the results of programmes and the benefits that Member States derived from them. The Agency would then be able to plan its programmes more effectively.

30. Furthermore, the Secretariat needed to apply, during the initial drafting of the budget, stricter internal controls so that it could take into account the actual economic situation confronting the Agency and determine how savings could be made. It would thereby be possible in addition to deal more effectively with the ever-increasing problem of cash surplus.

31. His delegation repeated its reservations with regard to the continuing increase in staff, since staffing costs accounted for as much as 70% of the Agency's budget. It was necessary to stabilize expenditures on administration, general services, supplies and equipment, and to put a strict limit on the number and duration of the innumerable meetings held both at Headquarters and outside.

32. His delegation also had reservations with regard to the preliminary estimates for 1985 and 1986.

33. Finally, he welcomed the new presentation of the budget, which was a more faithful reflection of the cost element in the programme increase, and hoped that it would be continued in the future.

34. Mr. MATSUMURA (Japan) said he could endorse the draft budget for 1984. However, given the financial situation prevailing in a number of countries, including Japan, the Secretariat should try to use its resources with greater efficiency and circumspection. The Agency should do its utmost to reduce the budgetary estimates for the coming years and to keep to zero growth through a better distribution of the limited resources available.

35. Japan attached great importance to the Agency's technical co-operation activities and therefore approved the target recommended for 1984 for the Technical Assistance and Co-operation Fund. The Agency should, however, see to it that the Fund's resources were used for the promotion of technical assistance and co-operation programmes in the best possible way.

36. Mr. BRUSH (United States of America) said his country was perturbed by the rapid growth of the budgets of international organizations and would prefer to see zero real growth with absorption of some of the non-discretionary expenses. His delegation, nevertheless, supported the Agency's draft budget for 1984, which showed a modest real growth, for it reflected good judgement in the strengthening of the Agency's priority programmes, especially safeguards and technical assistance activities.

37. The Secretariat rightly deserved its reputation for managerial efficiency, which was all the more justified by the fact that it was planning to apply, for the 1985 budget, a system of budgetary review oriented towards programme results. Such a system was necessary since the growth envisaged for both the 1985 and the 1986 budget, as indicated in document GC(XXVII)/686, was unacceptably high. His delegation hoped that the budgetary review system in question would help to strengthen the Agency's priority programmes through greater efficiency and a redeployment of resources from lower-priority programmes.

38. Mr. VERBEEK (Netherlands) said his delegation was able to accept the Agency's draft budget for 1984, which had been presented in a clear and lucid manner.

39. His delegation, restating the arguments it had put forward in the Board of Governors and the Administrative and Budgetary Committee, felt it could accept the proposed modest real growth even though it was in favour of zero growth for the majority of international organizations. The proposed real growth was due partly to the gradual expansion of safeguards activities, which required unstinted financial support, and partly to the increase in technical assistance activities, as illustrated by the target recommended for the Technical Assistance and Co-operation Fund for 1984.

40. Although it might happen that in the coming years the Agency's priority activities would have to be revised, his delegation would seek to ensure that the Agency still continued to be a credible and efficient organization fully equipped to carry out its mandate.

41. The amount recommended for the Working Capital Fund seemed to be adequate, and he wished to refer in that connection to paragraph 33 of document GC(XXVII)/686, in which Member States were urged to pay their Regular Budget contributions promptly. A system of incentives might be adopted in that respect; for example, an extra charge on contributions arriving late and a bonus for Governments which paid their contributions promptly.

42. Finally, his delegation felt that budgeting on a two-year basis, which was practised in a number of United Nations organizations, had certain advantages to offer.

43. Mr. SPILKER (Federal Republic of Germany) noted that, although the Agency's draft budget for 1984 had been prepared within a general context of budgetary constraint, it still reflected a balanced development of the priority programmes, and there was even a slight growth in real terms. Regarding his Government's general attitude towards the development of the budget, he referred to the remarks which the Governor from the Federal Republic of Germany had made in the Board of Governors.

44. His Government was happy to have been able to make in 1983, apart from its contribution to the Technical Assistance and Co-operation Fund, additional voluntary contributions for the purpose of technical co-operation - mainly in the form of fellowships, expert services, equipment, training courses, facilities for scientific meetings and co-ordinated research programmes - and in support of safeguards.

45. Subject to approval by parliament, the Government of the Federal Republic of Germany could accept the Agency's draft budget for 1984, together with the amounts recommended for the Technical Assistance and Co-operation Fund and the Working Capital Fund.

46. Mr. AAMODT (Norway) said that the Agency's draft budget for 1984 provided a reasonable balance between regulatory and promotional activities and that it reflected a real growth in safeguards activities, which his delegation supported inasmuch as safeguards were one of the Agency's basic functions. He endorsed the overall Regular Budget for 1984, although it was to be hoped that efforts would be made to reduce expenditure.

47. Mr. PICTET (Switzerland), recalling the previous method of comparing the adjusted budget for the current year with the draft budget for the coming year, pointed out that the draft 1984 budget represented a 1% increase in real terms over the adjusted budget for 1983 - and increase which was compatible with the principle of zero growth. The same was not true, unfortunately, of the resulting increase in contributions by Member States, which would be 4.6% in real terms, as against 1.1% in 1982 and 1983. His delegation regretted to see that state of affairs, which the Secretariat attributed to a sharp reduction in miscellaneous income. It would have been preferable for the reduction to be compensated to a greater extent by cuts in the programme.

48. As far as aid to developing countries was concerned, in the Regular Budget for 1984 there had been an appreciable increase in programmes relating to technical assistance, food production and agriculture; that was in line with the wishes of those concerned and went hand in hand with annual increases in voluntary contributions to the Technical Assistance and Co-operation Fund which, over the last few years, had been approximately twice as high as the increases in the Regular Budget. His country intended to join in the Agency's efforts in that area, not only by paying the whole of its share of the voluntary contributions, but also by providing, to the extent it could, assistance in kind in specialized fields, such as the use of radioisotopes in medicine.

49. Mr. HAWAS (Egypt) said his delegation supported any reduction in expenditure that could possibly be achieved, especially in the case of administrative expenses. It also endorsed all policies aimed at avoiding unnecessary growth of the budget. Having said that, he felt that the principle of zero growth should not be applied to the Agency's promotional activities or other technical assistance activities, which for some time had not come up to expectations. His delegation reserved the right to make known its views in due course on the financing of technical assistance. He reiterated his support for the statement made on behalf of the Group of 77 by the Governor from Venezuela at the Board's meetings in June 1983 with regard to the Agency's budget for 1984. His delegation was ready to approve the Agency's budget for 1984.

50. Mr. MAHMOUD (Iraq), announcing that it was his country's intention to pay in full its share of the voluntary contributions to the Technical Assistance and Co-operation Fund, said that the increase envisaged for 1984 in the Agency's programme as a whole was occasioned, first and foremost, by a growth in the expenditure on safeguards and administration, whereas the budgetary increase for activities relating to safety, agriculture and food production, and for the International Centre for Theoretical Physics at Trieste, were much more modest. Allowance had to be made for the needs of each programme and for the needs of the developing countries, which were growing steadily and were the reason why those countries were anxious to launch nuclear power programmes.

51. Last September some developed countries had stated that they wished to continue their study of small and medium power reactors; his country hoped that the requisite funds would be included in the Regular Budget. He approved the measures proposed for the establishment of safety programmes and expressed satisfaction with the Agency's training activities. At the same time, there was a need for a system by which to evaluate such activities and it was important to give the Secretariat guidelines to follow in drafting the programme budget and putting the various programmes into effect. His delegation endorsed the draft resolution relating to the Regular Budget in document GC(XXVII)/686/Mod.1 and the draft resolutions relating to the Technical Assistance and Co-operation Fund and the Working Capital Fund in document GC(XXVII)/686.

52. Mr. MALU wa KALENGA (Zaire) said that, subject to his delegation's comments in the Board of Governors on the draft budget, more especially on the stagnation of the funds assigned to the International Centre for Theoretical Physics at Trieste, it supported the draft budget.

53. Mr. DARTOIS (Belgium) said that his delegation was extremely perturbed by the draft budget for 1984 and found the latest proposed increase in expenditures excessive, not to say unacceptable; it was a cause for concern for two reasons. First of all, the proposed Regular Budget entailed 2% real growth in 1984, as in 1983, according to the new presentation. That increase could not be considered an exception; judging by the preliminary figures for 1985 and 1986, there was a trend, and his delegation could not approve it. The proposal for real growth did not take into account the difficult economic situation prevailing in a large number of countries. In the present period of budgetary austerity, the Agency, like other United Nations organizations, should conform as strictly as possible to zero growth. Furthermore, the proposed real growth of 2% was due to a proposed increase of almost 14% in the safeguards budget, which would represent about 35% of the Regular Budget.

54. With regard to the safeguards budget, the large increases observed over the last few years were not matched by an increase in the number of facilities to be safeguarded; they were occurring at a time when the Agency was priding itself on greater efficiency in its inspection activities and on having more advanced techniques available for the purpose. The reorganization of the Department of Safeguards was justified as a means of achieving greater efficiency. As regards State systems of accounting and control, the Agency should place increasing reliance on the systems of States subject to its safeguards; after all, as a member of the European Community, Belgium was already subject to EURATOM's international safeguards, and duplication ought to be avoided. Even so, his country was very much in favour of safeguards, which represented one of the Agency's key programmes. It was essential, however, that requests for successive increases in the safeguards budget be properly justified.

55. With regard to the level of Member States' assessed contributions, the real growth in contributions had been limited to 1.1% in the Regular Budget for 1983 thanks to the level of miscellaneous income; however, the same would not apply in 1984, since the proposed 14% increase over 1983 for

the same dollar/schilling exchange rate would mean a real growth of 5.6%. That was why his delegation could not join in a consensus for approving without qualification the Agency's budget for 1984. The Agency should bear in mind the fact that the age of uncontrolled expenditure by international organizations had passed. His delegation counted on the Director General's wise leadership in that connection and wished Mr. Bechetoille, the new Director of the Division of Budget and Finance, success in his work.

56. Mr. RYZHOV (Union of Soviet Socialist Republics), recalling that his delegation had already clarified its position on the Agency's budget for 1984 at the June session of the Board of Governors, welcomed the fact that the funds were basically being assigned to the most useful activities, namely safety (and safety standards), INIS, safeguards, the fuel cycle, thermonuclear fusion and technical assistance. The Soviet delegation therefore supported the draft budget for 1984. There was need, however, to place stress on the saving of resources, especially as concerned non-productive administrative costs. To that end the efficiency of the staff would have to be improved, and a timely end put to programmes which were no longer of interest to Member States. It was only by improving the efficiency of all the services that one would manage to increase the funds allotted to priority programmes while still keeping the growth of the budget within reasonable limits.

57. Mr. CHO (Republic of Korea), recalling that his delegation had already made known its position on the draft budget at the meetings of the Administrative and Budgetary Committee and in the Board of Governors, said that the Agency's budget should be supported on a broader basis by Member States, who should be encouraged to be more involved in the initial stages of budget preparation. The technical assistance and co-operation programme and the other promotional activities should continue to be strengthened in order to meet the growing needs of the developing countries, without the principle of zero growth being applied to such activities. Furthermore, the Secretariat ought to make all the savings it possibly could and utilize the funds provided for 1984 in a rational manner. That being said, his delegation endorsed the Agency's draft budget for 1984 and the draft resolutions contained in documents GC(XXVII)/686 and GC(XXVII)/686/Mod.1.

58. Mr. HÖHNE (German Democratic Republic), believing that the budget document gave an accurate impression of the Agency's work, said his delegation was able to endorse the draft budget.

59. It was clear from the sharing out of funds among the different programmes that priority was being assigned to safeguards, technical co-operation and nuclear power, though without overlooking the Agency's other activities, which were all, as the Director General had stated, promotional in the broader sense. Nevertheless, there was need to decide which activities had a low priority rating if the budget was to be kept within realistic limits. Permanent consultations with the Secretariat in the matter of establishing the budget were in his opinion of great value, since they made it possible to pick out the areas where savings could be effected. In conclusion, his delegation supported the draft resolutions in the budget documents.

60. Mr. BASSOY (Turkey), while appreciating the principle of zero real growth, regretted that it was being applied to technical assistance on an equal footing. Nevertheless, he had no hesitation in supporting the draft budget in view of the fact that the funds were to be allocated in a well-balanced manner. It was to be hoped in that connection that the expected in-kind and other extrabudgetary resources would be made available as foreseen.

61. Mr. KENYERES (Hungary) said that, despite the increase in staff costs and the minimal expansion of the Agency's programme, the budget struck a fair balance between the regulatory and promotional activities. The distribution of resources between the different programmes accorded with the Agency's basic priorities. The Secretariat, however, should try to cut down on non-productive expenditures. The preliminary draft of the budget for 1985 would have to be discussed with interested countries in due course if that budget was to have a more realistic basis than the one now being examined. Other than that, the Hungarian delegation was happy to endorse the draft budget for 1984.

62. Ms. PARKIN (United Kingdom) approved the draft Regular Budget which, after the changes introduced by the Board of Governors at its last meeting, amounted to US \$96 830 000, on the understanding that the sum earmarked for international plutonium storage would be blocked until the Board of Governors took a decision on that issue at its next session, in February 1984.

Her delegation endorsed the proposals on safeguards and also on the activities relating to safety and other promotional programmes. While not wanting to revert to the points raised by the United Kingdom in the Board of Governors, she wished to draw attention to document GC(XXVII)/INF/217 on financial contributions to the Agency as of 7 October 1983, which showed that there was an outstanding balance of \$27.7 million, and to repeat her country's appeal to all Member States to pay their contributions at the requisite time.

63. Mr. SINGH (India) recalled that his country attached great importance to the dialogue with Member States in connection with the preparation of the budget and more particularly to the consultations prior to the formal presentation of the draft budget in the Administrative and Budgetary Committee in May, after which it was possible to make any necessary corrections.

64. Since his delegation had already commented in detail on the draft budget for 1984 during the meetings of the Administrative and Budgetary Committee and the Board of Governors, he wished only to return to a few points. First of all, one had to be sure that the practice followed by the Agency in the administrative and budgetary areas did not deviate from the system applied within the United Nations. He thanked the Secretariat for providing information in reply to questions asked in June in the Board of Governors and, while certain points did not need to be raised in the Committee of the Whole, he wished to stress that the implementation of the budget reflected the Agency's activities as a whole and that it was up to the policy-making organs to co-ordinate those two aspects.

65. Some of the figures given in the draft budget showed a balance between the different programmes, and his delegation hoped that balance would be maintained. It had to be pointed out, however, that in the draft budget for 1984 the expenditures foreseen for safeguards were considerable, and the number of staff members involved in safeguards was huge relative to the total number of Agency staff members. The rising trend also showed up in the preliminary estimates for 1985, without there being a corresponding increase in the number of facilities under safeguards and, it would seem, to the detriment of the Agency's promotional activities, which had been demoted to a lower priority level. His delegation was surprised that safeguards should be described as a promotional activity, but that was a matter which should be

considered not so much during the examination of the budget as in the context of the organization's policies. He did wish to say, however, that it had yet to be demonstrated that greater efficiency had been attained within the Department of Safeguards.

66. India was continuing to finance technical assistance activities - and also other productive activities such as projects implemented under the Regional Co-operative Agreement for Research, Development and Training Related to Nuclear Science and Technology (RCA) - and believed that the Agency's promotional activities should not be reduced or given a lower priority than safeguards. Indeed, aid for the social and economic development of the so-called developing countries was not simply an act of charity; in that respect the latest reports of the World Bank and the International Monetary Fund had demonstrated that, if the needs of the developing countries were ignored, the prosperity of the more affluent States would be compromised.

67. Mr. COUSINS (Australia) said that it remained the view of his Government that, if United Nations agencies were to retain the confidence and support of Member States, their budgetary performance needed to be consistent with the stringent budgetary situation prevailing in the majority of countries. By virtue of the importance of the Agency's basic programmes, however, his delegation could accept the draft budget proposed for 1984, and the 2% real growth resulting therefrom. The Agency had to remain capable of discharging its growing obligations, which were of vital importance to all Member States. In order to do so it had to have the necessary funds at the proper time. His delegation therefore wished to urge all Member States to pay their contributions to the Regular Budget without delay. For its part, Australia continued to provide, over and above its share of the Regular Budget, extrabudgetary contributions to different Agency programmes. With regard to the wish expressed by certain delegations that they should take a greater part in drafting the budget, his delegation was of the opinion that the Board of Governors and the Agency as a whole could only stand to gain from such a process.

68. Regarding the Technical Assistance and Co-operation Fund, his delegation could accept a target of US \$22.5 million for 1984. As in previous years, Australia had paid its full share of the 1983 target and expected to do the same in 1984. Just as in the case of the Regular Budget, it was essential

for the contributions to the Technical Assistance and Co-operation Fund to be paid in good time so as to enable the Agency to carry out its technical co-operation programme in full. In that respect, he regretted to see that 30 Member States had not yet pledged contributions for 1983 and that, by the end of July, less than 60% of the pledged contributions had actually been paid. All Member States should show their support for the technical co-operation programme by pledging contributions and paying their share of targets for contributions to the Technical Assistance and Co-operation Fund.

69. Mr. THABAULT (France) felt that the draft budget contained a moderate increase compatible with the principle of zero growth to which his country remained attached. He noted, moreover, that the increase was for additional activities both in the field of technical assistance and in safeguards, and stressed the need to maintain that balance.

70. He called upon the Secretariat to exercise greater stringency in managing the funds provided to the Agency. For example, in connection with the proposals for new posts in Annex IV of the budget document, a P-5 post was to be created for the co-ordination of agreements that had still to be negotiated and 13 safeguards inspector posts were to be created although agreements entailing an extension of the Agency's functions had not yet been signed and, as pointed out in the Board of Governors in June, new inspection methods were supposed to alleviate the need for staff. Lastly, he asked for recruitment to be limited to cases where it was really necessary.

71. Mr. SOLTANIEH (Islamic Republic of Iran) pointed out that technical assistance and co-operation were of very great importance for the majority of developing countries, and in particular his own country, and expressed dissatisfaction with the budget envisaged for technical assistance, as compared with the funds to be allocated to safeguards. The Group of 77 had already expressed its concern on that point, and his delegation hoped that the budget would be the subject of more frequent consultations with Member States and that the Agency would devote more attention to the problems of technical assistance and co-operation by taking due account of the needs of the developing countries.

72. The CHAIRMAN said that, if there were no objections, he would take it that the Committee wished to recommend to the General Conference that it adopt draft resolution A contained in the annex to document GC(XXVII)/686/Mod.1 and draft resolutions B and C contained in Annex VI to document GC(XXVII)/686, it being understood that the sum of \$85 000 set aside for a study of international plutonium storage would not be spent until the Board of Governors had taken a decision on that matter in 1984.

73. Mr. DARTOIS (Belgium) expressed his disapproval of the draft of the Regular Budget for 1984, which should have shown zero growth. He also had doubts with regard to the safeguards budget and hoped that discussion of various aspects of the safeguards system by the Board of Governors, which had begun in February 1983, would continue; his delegation intended to take an active part in it.

Convention on the Physical Protection of Nuclear Material (GC(XXVII)/COM.5/26)

74. Mr. BRUSH (United States of America), presenting the joint draft resolution contained in document GC(XXVII)/COM.5/26, said that the Government of the United States had pleasure in announcing that it had ratified the Convention on the Physical Protection of Nuclear Material. He believed that the early entry into force of that instrument was a matter that deserved consideration by the General Conference. So far only eight States had ratified the Convention, whereas 21 ratifications were necessary to put it into effect. The Convention would enhance security during the transport of nuclear material and help to prevent acts of terrorism involving such material. It was important for all States to consider acceding to it for three reasons: first, individuals who committed acts of terrorism involving nuclear material should not find refuge anywhere at all and broad accession to the Convention was necessary in order to institute a universal system of jurisdiction for such offences; second, the Convention would provide for appropriate physical protection for nuclear material in transit. Third, early accession to the Convention would permit its entry into force and speed up the process of accession by additional States. Adoption of the draft resolution would help to promote broad accession. His delegation would also be submitting a draft resolution on the Agency's activities in the area of radioactive waste management.

75. Mr. RUGGIERO (Italy) thanked the United States delegation for submitting the draft resolution and hoped that the Committee would be able to recommend its adoption.

76. Mr. KOREF (Panama) proposed that the Committee of the Whole accept the draft resolution by acclamation. His country had been a member of the committee responsible for drafting the Convention, the text of which was quite complete, and there was no need to examine the draft resolution in detail.

77. Mr. BASSOY (Turkey), pointing out that Turkey was one of the 30 countries which had signed the Convention on the Physical Protection of Nuclear Material, said his delegation welcomed the draft resolution submitted by the United States delegation jointly with a number of other delegations.

78. Mr. KENYERES (Hungary), emphasizing the importance of the Convention on the Physical Protection of Nuclear Material, pointed out that Hungary had been one of the first countries to have adopted measures along the lines envisaged in it. His country had already initiated the procedure for ratifying the Convention. He therefore fully supported the draft resolution that had been submitted.

79. Mr. PINEDA PAVÓN (Venezuela) supported the draft resolution which had been submitted, among others, by the delegations of the United States and the Soviet Union. He wished to record his satisfaction at the general interest that had been aroused by it and to express the hope that the Convention would come into force soon and that a large number of countries would accede to it.

80. Mr. PECCI (Paraguay) said that his country had also taken part in the drafting of the Convention, which it had signed in October 1979. As a developing country, Paraguay considered that the Convention would soon be of great benefit to it. Ratification by the Paraguayan Congress should follow in a short while.

81. Mr. SINGH (India) said that his country, in common with a number of other Member States of the Agency, had taken part in the drafting of the Convention on the Physical Protection of Nuclear Material. However, he had serious reservations with regard to the Convention, which a number of

legal experts considered to be discriminatory in nature. Inasmuch as the Convention had not been unanimously adopted, it would not be appropriate to accept the draft resolution by acclamation.

82. Mr. SOLTANIEH (Islamic Republic of Iran) was of the same opinion as the representative of India. The Islamic Republic of Iran had not signed the Convention either and was not in favour of the draft resolution presented by the United States delegation.

83. Mr. RUGGIERO (Italy) felt that the draft resolution was very constructive and that, in any event, it did not contain anything binding. All it did was to express a hope. At the time when it had signed the Convention, his country had pointed out certain problems and expressed reservations. The Convention, however, was not constraining in either its terms or its spirit. It was therefore hoped that the Committee would be able to support the draft resolution and that rapid progress would be made in accession to the Convention.

84. After an exchange of views with Mr. Singh (India), the CHAIRMAN proposed that the Committee approve the draft resolution, on the understanding that it would be made clear in the report to the General Conference that the draft had been supported by all delegations with the exception of those of the Islamic Republic of Iran and India.

85. Mr. SUAREZ de PUGA y VILLEGAS (Spain) said that, even if the draft resolution received wide support, account had to be taken of the reservations expressed by certain delegations and also of those which had been expressed at the time of signing the Convention. Since the representative of the United States had stated that his delegation would be submitting a draft resolution on the management of radioactive wastes, the Spanish delegation would revert to the matter when that draft resolution was presented.

86. The CHAIRMAN proposed that the draft resolution contained in document GC(XXVII)/COM.5/26 be put to the vote.

87. Mr. CALDERÓN (Peru), supporting the proposal of the representative of Spain, pointed out that his delegation had not had time to examine the draft resolution in question.

88. The CHAIRMAN took it that the Committee wished to postpone consideration of the draft resolution until the submission by the United States delegation of the draft resolution on radioactive waste management.

89. Mr. HAWAS (Egypt) fully supported that proposal and requested the Secretariat to provide the Committee of the Whole with all necessary information for consideration of the draft resolution, such as the names of the countries which had signed the Convention, those which had ratified it, and the reservations expressed.

90. Mr. RUGGIERO (Italy) was of the opinion that a vote on the draft resolution contained in document GC(XXVII)/COM.5/26 ought to be avoided, for the key to success for the Agency lay in consensus. His delegation saw no real objection to the draft resolution, which did not in any case present difficulty in terms of political interpretation. It was in fact a resolution dealing with a procedural matter and could therefore be approved on the understanding that any reservations expressed appeared in the report to the General Conference.

91. After an exchange of views with Mr. SOLTANIEH (Islamic Republic of Iran), who stressed the need not to prejudge the result of a vote on the draft resolution, the CHAIRMAN took it that the Committee wished to postpone further consideration of the draft resolution.

92. It was so decided.

THE FINANCING OF SAFEGUARDS (GC(XXVII)/687)

93. The CHAIRMAN recalled that at its meetings in June the Board of Governors had reviewed the arrangements for the financing of safeguards; document GC(XXVII)/687 contained a draft resolution on that subject.

94. Mr. KOREF (Panama) proposed that the Committee recommend to the General Conference that it adopt the draft resolution contained in document GC(XXVII)/687.

95. Mr. de CASTRO NEVES (Brazil) supported the draft resolution since it constituted an acceptable political arrangement for the financing of one of the programmes provided for in the Agency's budget for 1984. Nevertheless, the financing of safeguards reflected the difficulties caused by the use for the Agency's budget of the scale of assessment of the United Nations.

The fact that the Agency did not have the same membership as the United Nations and that the arrangements for safeguards financing were peculiar to the Agency made the application of that scale, controversial from the very beginning, still more inappropriate and unrealistic. The Board of Governors should be asked to consider carefully the problem of financing the Agency's activities with that fact in mind. Without prejudice to whichever way the Board dealt with that issue, he believed that it was linked to the scale of assessment of Member States and he reserved the right to revert to the subject now under discussion during consideration of item 12 of the agenda.

96. Mr. MENON (India) said that India had accepted the interim solution adopted for the financing of safeguards as it met some of his country's concerns with regard to that question. Ability to pay should be the basic criterion for the assessment of safeguards costs on Member States, and the present list of States granted partial relief was a fair one. He was not convinced of the need to alter that list, and it was in that spirit that his delegation would study any new formula proposed in the months to come. Such a formula should not deviate from the principle of fairness, nor from the practice which had now been followed for several years.

97. The financing of safeguards was a complex matter on which a number of Member States had views to express whether or not they sat on the Board of Governors. The Board should enter into consultations on the subject with all interested Member States as soon as possible. The Committee's report to the General Conference recommending adoption of the draft resolution contained in document GC(XXVII)/687 should also include a proposal on consultation procedures.

98. Mr. LOPEZ-MENCHERO y ORDOÑEZ (Spain) recalled that the comments made by his delegation at the meetings of the Board in June were contained in paragraphs 105, 106 and 107 of summary record GOV/OR.610. His country, which was about to leave the Board of Governors, would like interested Member States which were not on the Board to be able to join in the consultations on the formulation, for 1985, of arrangements for the financing of safeguards. The consultations should be informal and open to all Member States.

99. Mr. MATSUMURA (Japan) associated himself with the speakers who had expressed their approval of the draft resolution contained in document GC(XXVII)/687. Safeguards were a basic activity of the Agency intended to prevent the proliferation of nuclear weapons and, in that capacity, should be supported by all Member States. That was why the financing of them was an integral part of the Agency's Regular Budget. In his delegation's opinion, the arrangements for the financing of safeguards should be reviewed in the light of the need for equitable cost sharing as a function of the ability to pay.

100. Mr. RYZHOV (Union of Soviet Socialist Republics) said that in the interests of co-operation and compromise his delegation would not object to the draft resolution contained in document GC(XXVII)/687. He drew attention to paragraph 4, in which it was stated that the arrangements described were applicable only to 1984. His delegation considered that the present arrangements were not appropriate; they had applied for some time, but some of them had been abused for the sake of considerations that were not valid, and the Agency was now faced with certain dangerous precedents. He called upon Member States to make all necessary efforts as early as possible so that new arrangements, based on objective criteria, could be presented to the General Conference in the autumn of 1984.

101. Mr. VERBEEK (Netherlands) approved the draft resolution since it upheld the basic principle of the financing of safeguards, which was that, in conformity with the letter and spirit of the Statute, all Member States of the Agency should have a share in such financing. Safeguards and technical assistance were the two core elements of the Agency's mandate and, as such, both of them deserved support from all Member States.

102. Mr. MORALES (Cuba) saw no objection to the draft resolution inasmuch as it stipulated that the arrangements described would be applicable only to 1984. His delegation intended to make its position clear when proposals for amendment of the list of countries granted partial relief came up for consideration.

103. Mr. MAHMOUD (Iraq) was entirely in agreement with the Indian delegation. The list of countries enjoying partial relief in respect of their share of safeguards costs was based on acceptable criteria and should not be changed. His delegation saw no objection to the draft resolution contained in document GC(XXVII)/687.

104. Mr. PINEDA PAVÓN (Venezuela) supported the draft resolution. It was important for contributions to the financing of safeguards to be shared according to the responsibilities of different Member States in that area. Countries which were developed in the nuclear field and which therefore had the greatest responsibility as regards safeguards should pay the biggest contributions. Developing countries which were just starting out in the nuclear field could contribute to safeguards financing only at the expense of their own development projects, and they had very little to be safeguarded. In line with the practice followed so far, they should therefore only pay a token contribution to the financing of safeguards.

105. Mr. KRZAK (Poland) said that, in view of the importance of safeguards and the wholehearted support of his delegation for that activity, he was ready to endorse the draft resolution contained in document GC (XXVII)/687. He considered, however, that it was necessary to revise the arrangements for the financing of safeguards.

106. Mr. SPILKER (Federal Republic of Germany), expressing his support for the draft resolution, noted that the present arrangements would apply for only one year. He agreed with the representatives of the Netherlands and Japan that all Member States should contribute to the financing of safeguards and that they should do so on an equitable basis.

107. Mr. CONSTANTIN (Romania) was in favour of keeping the present arrangements.

108. Mr. DARTOIS (Belgium) pointed out that the draft resolution was designed to extend the present arrangements into 1984, the consultations held in order to decide on new arrangements for a period of three years having failed, and did not provide for any procedures for reviewing the present arrangements. The Board, when it met in June 1984, and the General Conference, at its twenty-eighth session, were therefore likely to find themselves in the same position as at present. He also believed that all Member States should take part in consultations on safeguards financing between now and February 1984. As proposed by the Spanish delegation, those consultations could be informal and open to all Member States. His delegation hoped that that proposal would appear in the Committee's report to the General Conference.

109. Mr. MALU wa KALENGA (Zaire) supported the Belgian proposal.

110. After an exchange of views with Mr. Menon (India), Mr. Dartois (Belgium) and Mr. Lopez-Menchero y Ordoñez (Spain), the CHAIRMAN took it that the Committee of the Whole wished to recommend to the General Conference that it adopt the draft resolution contained in document GC(XXVII)/687. In line with the views expressed by the representatives of India, Spain, Belgium and Zaire, when reporting to the General Conference he would suggest that the Conference request the Board of Governors to begin consultations - open to all Member States - on the financing of safeguards after 1984 immediately following the present session of the Conference.

111. It was so decided.

The meeting rose at 5.50 p.m.