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COMMITTEE OF THE WHOLE

RECORD OF THE THIRTY-SECOND MEETING

Held at the Neue Hofburg, Vienna,  
on Wednesday, 12 October 1983, at 10.35 a.m.

Chairman: Mr. SINGH (Malaysia)

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\*/ A provisional version of this document was issued on 17 October 1983.

\*\*/ GC(XXVII)/700.

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

SCALE OF ASSESSMENT OF MEMBERS' CONTRIBUTIONS FOR 1984 (GC(XXVII)/691 and Mod.1)

1. The CHAIRMAN explained that the modification to document GC(XXVII)/691 had been issued following the Board's decision the previous week to recommend that the budget estimates for 1984 be based on a dollar/schilling exchange rate of 17.50. The scale of assessment in document GC(XXVII)/691/Mod.1 was based on the assumption that the General Conference would approve the revised arrangements for the assessment of Members' contributions to the Agency's Regular Budget which the Committee had the previous day agreed to recommend to it for approval.

2. He also noted that the representative of Brazil had circulated an informal paper on item 12 of the agenda and asked him to explain the figures listed therein.

3. Mr. de CASTRO NEVES (Brazil) explained that his delegation had drawn up a consolidated table comparing the scales for 1983 and 1984. The table showed that some countries' quotas had been increased while those of others had been reduced. The changes in the proposed new scale of assessment were due to changes in the United Nations scale of assessment, on which the Agency's scale was based. His delegation did not wish at present to question the reasons behind the changes in the United Nations scale, which it had opposed at the thirty-seventh General Assembly of the United Nations, but did question its automatic adoption by the Agency.

4. The present methodology used in determining the scale of assessment was inadequate. In addition to taking account of each country's GNP and applying a discount formula based on per capita income, it was necessary to adopt further criteria such as, for example, the country's ability to obtain hard currency (often limited by balance of payments problems and the level of its aggregate external debt), its total national wealth (account being taken of the additional infrastructural expenses faced by the least developed countries) and the growing disparity between the developed and developing countries in respect of absolute growth. Moreover, developing countries were in a special situation in that they usually relied on a small number of products for their export income.

In addition, there were various other special factors which affected the capacity of the least developed countries to make payments in hard currency. Lastly, the present system of computing each country's GNP needed to be reviewed.

5. In Brazil's case the increase in the base rate of assessment from 1.28% to 1.39% would result in an increase of \$122 000 in its contribution, i.e. an increase of 17.77% over its 1983 contribution. However, the quotas of many other countries had been reduced so that, in actual fact, Brazil and other countries would be paying the difference between the levels of those countries' 1983 and 1984 contributions. Moreover, many of the countries with reduced contributions were in a better position than Brazil with regard to foreign exchange.

6. The Agency was not obliged to adopt the United Nations scale automatically. Article XIV.D of its Statute provided that "in fixing the scale the General Conference shall be guided by the principles adopted by the United Nations" and not the scale itself. The financing of safeguards, after all, was not based on United Nations rates. Furthermore, if the United Nations scale were automatically adopted some countries would be in the situation of having their Agency quotas reduced, while their United Nations quotas remained the same.

7. His delegation proposed that an expert group be established to determine criteria for a more appropriate scale of assessment. The scale should not be modified until that group had reported its findings to the Board of Governors and the General Conference. Also, the implications for the budget and scale of assessment of the Agency's admission of a new Member should be borne in mind.

8. Mr. HOFFMANN (Federal Republic of Germany) was aware of the financial problems faced by some Member States, but felt that it was too late, despite their obvious relevance, to introduce the new criteria mentioned by the representative of Brazil. He was not opposed in principle to the creation of some sort of group to study the principles governing the establishment of the scale of assessment, but obviously the outcome of the present discussion should not be dependent on the findings of such a group. The group's report should go to the Board of Governors for consideration at its February or June sessions in 1984.

9. Mr. MALU wa KALENGA (Zaire) said he had listened sympathetically to the points made by the representative of Brazil, but felt that it would be impractical to defer the adoption of the proposed scale of assessment. The resolution contained in document GC(XXVII)/691 should be adopted and the scale set out in document GC(XXVII)/691/Mod.1 retained at least until such time as a working group had been set up and its findings reported to the Board of Governors. The scale of assessment for 1985 could then be revised accordingly.

10. Mr. HERNANDEZ MATA (Mexico) stated that Mexico had voted against the adoption of resolution 37/125 at the thirty-seventh General Assembly of the United Nations on a number of grounds: first, in determining the scale of assessment contained therein, the Committee on Contributions had not fulfilled the mandate entrusted to it in accordance with General Assembly resolution 36/231-A; secondly, the scale was based exclusively on the statistics available to the United Nations statistical office; thirdly, the exchange rates and national incomes used in the calculations had been overestimated and no account of inflation had been taken; and, lastly, the scale had been established in a manner which was irregular and contrary to the principles of justice and equity.

11. Mr. KOREF (Panama) supported the views expressed by the representative of Zaire. The criteria for establishing the scale of assessment should be examined in the course of 1984 and revised, if need be, at the General Conference later in the year.

12. Mr. PINEDA PAVÓN (Venezuela) was also opposed to the criteria used in establishing the scale of assessment for 1984, which seemed to benefit some countries while placing others at a disadvantage. Venezuela's base rate of assessment had increased from 0.51 in 1983 to 0.55 in 1984, which represented an increase of US \$60 837 and placed Venezuela in a difficult situation with regard to its contribution to the Agency's budget. His delegation had already expressed its hope in the Board of Governors that the Secretariat would, in accordance with United Nations General Assembly resolution 36/231-A, take account of the countries' actual ability to pay their contributions and the position adopted by a large number of Governments with respect to resolution 37/125.

13. Mr. SIAZON (Philippines) sympathized with the statement made by the representative of Brazil and hoped that the Agency would at some stage be able to study the additional criteria mentioned in his statement. In the course of 1984 the Board of Governors would have to deal extensively with the question of the financing of safeguards and could perhaps consider that question in conjunction with the matter now under discussion. The Committee should also recommend that the Board of Governors examine the extent to which the United Nations scale of assessment could be applied to the Agency's budget for 1985. However, it was too late to consider the matter with respect to the 1984 budget.

14. Mr. VERBEEK (Netherlands) said that his delegation could accept the scale of assessment for its contribution to the Regular Budget. He wished it to be placed on record, however, that it had voted against the introduction of the new United Nations scale of assessment by the thirty-seventh General Assembly.

15. He supported the suggestions made by the representative of the Federal Republic of Germany, Zaire and the Philippines that discussions on the Brazilian proposals might be held after the present session of the General Conference.

16. Mr. GABBERT (United States of America) pointed out that, in approving the new scale of assessment, the thirty-seventh General Assembly had also decided that the Committee on Contributions should submit to the General Assembly, by its thirty-ninth session at the latest, a study on alternative methodologies for the assessment of Member States' contributions and a set of guidelines for the collection and presentation of statistical information. The Committee had met and its report would be presented to the Fifth Committee in due course.

17. His Government urged the Agency to continue using the scale of assessment approved by the United Nations General Assembly. Member Governments would have the opportunity to express their views on the matter in New York in the Committee on Contributions and the Fifth Committee so that an alternative methodology could be established in the future.

18. Mr. LÓPEZ MENCHERO y ORDOÑEZ (Spain) was in favour of holding informal discussions on the subject, an approach which the Committee had already decided to recommend with respect to the financing of safeguards. However, he felt that the two subjects should be dealt with separately.

19. Mr. PERRIER de LA BATHIE (France) considered that discussion of the matter should be deferred until such time as a committee had been set up and had submitted its findings to the Board of Governors.

20. The CHAIRMAN asked whether he could report that the Committee recommended the adoption by the General Conference of the draft resolution in document GC(XXVII)/691 with the Annex as modified in document GC(XXVII)/691/Mod.1, suggesting to the Conference that it request the Board of Governors to discuss various approaches to determining the Agency's scale of assessment of Members' contributions with a view to reporting its findings to the General Conference at its next session.

21. Mr. de CASTRO NEVES (Brazil), after summarizing his delegation's reasons for opposing the proposed new scale of assessment, emphasized that he was in favour of setting up a group to study new criteria for determining the scale. While he felt it ill-advised to introduce a new scale when it was likely to be revised yet again in the near future, he wished to ascertain the general view of the Committee.

22. Mr. MALU wa KALENGA (Zaire) approved of the Chairman's summary of the discussion, which he felt to be a good compromise between the various views expressed.

23. Mr. HOFFMANN (Federal Republic of Germany) thought that, if the Committee's recommendation was to be drafted on the basis of the Chairman's summing-up, it should be presented in two sentences, the first ending after the reference to the two relevant documents and the second beginning with the word "However".

24. Mr. LÓPEZ MENCHERO y ORDOÑEZ (Spain) thought that Members not represented on the Board should be allowed to take part in the informal discussions to be held on the matter.

25. Mr. de CASTRO NEVES (Brazil) did not wish to stand in the way of a consensus, but requested that his delegation's reservations regarding the proposed new scale of assessment be included in the Committee's report to the General Conference. He considered that the proposal made by the representative of the Federal Republic of Germany was an acceptable compromise formula.

26. The CHAIRMAN took it that his earlier summary, presented in the form suggested by the representative of the Federal Republic of Germany, would be acceptable to the Committee, and that the Committee could recommend the General Conference to adopt the resolution set forth in document GC(XXVII)/691 on those terms.

27. It was so decided.

#### THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXVII)/688)

28. The CHAIRMAN explained that document GC(XXVII)/688 contained a report by the Board of Governors pursuant to resolution GC(XXVI)/RES/402, adopted by the General Conference in 1983.

29. Mr. HAWAS (Egypt) said that resolution GC(XXV)/RES/388, adopted by consensus in 1981, had established that technical assistance resources should be predictable, assured and sufficient, the last of those three criteria implying that they should be increased in response to the growing needs of the developing countries with regard to the peaceful uses of nuclear energy. His delegation therefore welcomed the consensus reached by the Administrative and Budgetary Committee and the Board of Governors in 1982 concerning the indicative planning figures for the years 1984, 1985 and 1986 (US \$22.5 million, 26 million and 30 million respectively). That consensus was an important step towards implementation of the resolution.

30. His delegation urged the Administrative and Budgetary Committee, in its meetings during the spring of 1985, to work towards a similar consensus for the years 1987, 1988 and 1989. It also urged the Board of Governors to examine the possibility of enshrining the principles of predictability, assurance and sufficiency of the Agency's technical assistance in its Statute.

31. Together with other Members, Egypt would endeavour to formulate a draft resolution on the matter in line with that adopted by consensus at the twenty-sixth session of the General Conference.

32. Mr. ASMAN (United Republic of Tanzania) expressed his appreciation of the Secretariat's efforts to implement General Conference resolutions GC(XXVI)/RES/402 and GC(XXV)/RES/388. In particular, he welcomed the setting of indicative planning figures as an interim solution to the problem of securing funds for the Agency's technical assistance activities. Given that technical assistance was one of the Agency's major operations, it would be in the interests of all Member States to give recognition to that fact by financing technical assistance from the Regular Budget.

33. Those delegations which regarded indicative planning figures as an adequate means of ensuring predictability in financing also tended to insist on the voluntary nature of contributions. In his view, however, voluntary contributions were not sufficiently predictable, despite the excellent past record of many donor countries.

34. The suggestion that an increase in voluntary contributions and extra-budgetary resources might lead to an adequate funding level for technical assistance activities was open to the objection that a high proportion of extrabudgetary funding would reduce the Secretariat's control of its technical assistance programme.

35. Mr. ALI (Iraq) said the Board's recommendation of an increase in the indicative planning figures for technical assistance activities implied recognition of the fact that those activities were insufficiently funded. Resources available for that purpose had only increased by 10 per cent over the last 10 years, as compared with 28 per cent increases in other areas. Moreover, a number of projects proposed by Member States in 1983 had not been accepted for implementation by the Secretariat. A system of financial guarantees was essential for the promotion of peaceful uses of nuclear energy. He therefore urged that resolution GC(XXV)/RES/388, which called for funding through the Regular Budget or from other comparably predictable and assured resources, should be put fully into effect.

36. Mr. SILANGWA (Zambia) reiterated his delegation's commitment to the implementation of resolution GC(XXVI)/RES/402. He failed to see any justification for the existing imbalance between the technical assistance and safeguards programmes as far as the predictability of funds was concerned. It seemed to him that those delegations which opposed funding technical assistance from the Regular Budget were in fact implying that it was less important than safeguards. The use of less assured resources for technical assistance, however, was incompatible with the Agency's declared purpose of assisting the developing countries in the development of their nuclear capabilities.

37. His delegation appreciated the provision of extrabudgetary resources for technical assistance and co-operation by a number of industrialized Member States, and also the Secretariat's efforts in soliciting such contributions. He appealed to donor countries, however, to adhere to the principles of technical assistance adopted by the General Conference and not to apply extraneous criteria in deciding which footnote a/ projects to support.

38. Mr. ESKANGI (Libyan Arab Jamahiriya) stressed the importance of the agenda item under discussion for the developing countries. In his delegation's view, technical assistance should be financed from the Regular Budget rather than from voluntary contributions and delivered on the basis of equitable geographical distribution with priority to the least developed countries and countries in greatest need of assistance.

39. Mr. PINEDA PAVÓN (Venezuela) echoed the concern expressed by previous speakers at the disproportionate growth of budget allocations to the safeguards programme compared with those available for technical assistance. In the interest of a more equitable balance between the two programmes, the developing Member States were anxious to gain greater and more direct influence over the preparation of draft budgets.

40. While it was gratifying to note that greater priority had been given to technical assistance in 1982, his delegation nevertheless shared the concern expressed by the representative of Egypt regarding the sufficiency and predictability of funds. The indicative planning figures for technical assistance were a step in the right direction. His delegation would be prepared to endorse any other system that would make technical assistance financing as regular and predictable as that available to the safeguards programme.

41. Mr. BRUSH (United States of America) said that financing technical assistance from the Regular Budget would not necessarily increase the amount of money available for technical assistance projects, since the percentage growth of voluntary funds for technical assistance had in recent years considerably exceeded that for safeguards activities under the Regular Budget. Moreover, developing Member States would find their assessed contributions rising sharply as a result of financing technical assistance from the Regular Budget.

42. His delegation did not agree that there was an imbalance in the Agency's budget. Since 1979, total resources available to the technical assistance and the safeguards programmes had been roughly equal, with the former in the lead each year. The system of indicative planning figures allowed for greater advance notice of funding levels than the Regular Budget itself. The funds thus committed were therefore at least "assured" and "predictable" as those in the Regular Budget.

43. His delegation would be glad to assist in the preparation of the draft resolution proposed by the representative of Egypt.

44. Mr. KHAN (Pakistan) said that technical assistance and safeguards were the most important of the Agency's activities. It was not true, however, that the funds available for technical assistance had been growing faster than those for the safeguards programme. On the contrary, they had increased by factors of 8 and 25, respectively, since 1970. Allocations for safeguards were at present 50% higher than for technical assistance. It should be remembered, moreover, that the published cost figures for safeguards only referred to direct costs, while indirect costs were subsumed under various administrative headings.

45. It was important to eliminate the disparity in the financing of the two areas of activity. He was grateful to countries that provided extra-budgetary finance and supported footnote a/ projects, but nevertheless felt bound to point out that many sound technical assistance projects had had to be rejected for lack of funds. Technical assistance could thus be seen to be financed on a less secure basis than safeguards.

46. Another aspect of technical assistance that gave cause for concern was the Secretariat's increasingly restrictive interpretation of the Revised Guiding Principles in connection with the approval of technical assistance projects. The Secretariat appeared to be imposing conditions which went far beyond the Board's original intentions.

47. He re-emphasized the urgent need to proceed with the implementation of resolution GC(XXV)/RES/388. Indicative planning figures were a step in the right direction but did not ensure the same degree of predictability as would result from the direct funding of technical assistance activities from the Regular Budget.

48. Mr. KOREF (Panama) supported the Egyptian proposal that the Board should be requested to discuss indicative planning figures for 1987, 1988 and 1989. He also urged all Members that had not yet done so to pay their voluntary contributions for 1983 and previous years.

49. Mr. DARTOIS (Belgium) recalled that at the twenty-sixth session of the General Conference Belgium had expressed its concern regarding the indicative planning figures. It felt that the system established was over-optimistic, the Board of Governors having failed, before setting the figures, to consult Member States invited to pay a voluntary contribution corresponding to their base rate of assessment. Moreover, acute financial difficulties had made it impossible for his Government to predict several years in advance how much it would be able to pay as a voluntary contribution to the Technical Assistance and Co-operation Fund.

50. He noted with satisfaction the improvements made in the past year in the wording of the Secretariat's letters to Member States regarding contributions. In the past, those letters had taken insufficient account of the voluntary nature of the contributions, but real progress had been made in that regard.

51. With regard to the question of pledges, his delegation had stated clearly in 1982 that it could not pay the amounts proposed for 1983 and 1984. However, Belgium, had just undertaken, subject to parliamentary approval, to pledge 5.5 million Belgian francs as its voluntary contribution to the Technical Assistance and Co-operation Fund for 1984, which represented an increase of 2 million francs over its pledge for 1983.

52. Furthermore, in addition to its contributions to the Fund, Belgium had in recent years supported the Agency's technical assistance programmes by making voluntary contributions to the tsetse fly project in Nigeria and by organizing large-scale training programmes at specialized institutions in Belgium.

53. His delegation was very pleased to note that its pessimistic expectations regarding the operation of the system of indicative planning figures had not been fulfilled, the voluntary contributions for 1982 having responded in large measure to the target of US \$16 million. However, in a statement of 10 October, the Director General had reported to the Board that in 1983 Member States had in general been slower in paying their contributions than in 1982.

54. Mr. NITZSCHE (German Democratic Republic) said that there seemed to be a general consensus in the Agency's policy-making organs and among Member States regarding the practical aspects of financing technical assistance. He hoped that the present session of the General Conference would confirm that consensus. In that connection, he supported the proposals made by the representative of Egypt.

55. The recommended indicative planning figures provided the predictable and assured resources called for in resolution GC(XXV)/RES/388. He noted with interest that the total resources available for Agency activities were increasing substantially in both absolute and real terms, an increase of 12.5% over the 1981 level having been recorded. Furthermore, many of the programmes contained a technical assistance component which was not financed from voluntary contributions. That fact should be borne in mind in evaluating the Agency's technical assistance programme.

56. He was satisfied with the progress made in utilizing the currencies of the socialist countries, including the German Democratic Republic, the amount provided for the technical assistance programme in 1982 being 28% higher than in 1981. Thanks to close co-operation with the Agency's Secretariat the contributions by socialist countries were relatively equitably distributed among the various regions.

57. Finally, he reiterated his delegation's conviction that technical assistance should be financed from voluntary contributions.

58. Mr. MORALES PEDRAZA (Cuba) said that any funding mechanism for the Agency's technical assistance activities should meet the conditions of predictability and assuredness stipulated in resolution GC(XXV)/RES/388. Furthermore, it should ensure that the annual increase in the level of available funds was no less than that in the allocations to other programmes, in particular safeguards. Pledges of voluntary contributions should, for their part, not be less than the level of resources recommended by the Board for technical assistance funding in any one year. In that connection, he urged all Member States that had not done so to pay their voluntary and assessed contributions. The level of resources recommended for technical assistance financing should fully meet the requirements of developing countries. For that reason it should, ideally, be possible to finance the growing list of footnote a/ projects from voluntary contributions to the Technical Assistance and Co-operation Fund, but their level was not, unfortunately, in line with the Board's recommendations. If the technical assistance funding situation did not improve, it was possible that more and more countries which at present did not object to the indicative planning figure mechanism would oppose its use in the future, arguing that the needs of developing countries were not being met through it.

59. Mr. LAMPARELLI (Italy) said that the great importance attached by his Government to the Agency's technical assistance and co-operation programme was demonstrated by the substantial and increasing extrabudgetary contributions made available by Italy. However, he believed that the voluntary nature of contributions to the Technical Assistance and Co-operation Fund should be maintained.

60. The system of indicative planning figures had proved very effective in that it had led to increases in the amounts allocated to the Technical Assistance and Co-operation Fund which would not otherwise have been possible. The Fund had risen from 10.5 million dollars in 1980 to 22.6 million in 1984 and the targets for 1985 and 1986 had been preliminarily agreed upon. The requirements of resolutions GC(XXV)/RES/388 and GC(XXVI)/RES/402 were, therefore being met.

61. In response to the concern expressed by some delegations regarding the effect of extrabudgetary resources on the nature of projects to be financed, he assured those delegations that the Agency had full control of the projects.

62. The CHAIRMAN suggested that, in view of the number of delegates who wished to speak on the subject, a working group be convened to discuss and agree upon a draft resolution before the Committee met again the following morning.

63. Mr. MALU wa KALENGA (Zaire) said that the intermediate solution of indicative planning figures was acceptable in the short term but insisted that technical assistance would have to be financed from the Regular Budget in the long term.

64. He was struck by the paradoxes evident in the assessment of the situation by some delegations. Statistics had been used to prove that financing technical assistance from the Regular Budget would lead to increased contributions by developing countries. By such logic the contributions of developed countries would decrease. Therefore, developed countries might be expected to support the proposal that technical assistance be financed from the Regular Budget and developing countries to support a continuation of the present system of voluntary contributions. In fact the opposite occurred.

65. Such paradoxes indicated the complexity of the issue, which was not immediately obvious, and suggested that there must be deeper reasons underlying the position of the developing countries. Those reasons had prompted him to ask a question at the 610th meeting of the Board of Governors, held on 10 June 1983 (paragraph 93 of the summary record reproduced in the Annex to document GC(XXVII)/688), which had not yet received a satisfactory answer.

66. Mr. SOLTANIEH (Islamic Republic of Iran) commented on the statement made by the United States delegate. He pointed out that the Islamic Republic of Iran was always ready to pay the price for abolishing discrimination and believed that the change proposed in the financing of technical assistance served that end.

67. The Islamic Republic of Iran expected the Agency to give the same, if not greater, assurances for the technical assistance programme as for the safeguards programme. He therefore proposed that technical assistance be financed from the Regular Budget.

68. Mr. HENDERSON (United Kingdom) said that his country regarded the Agency's technical assistance programme as one of its most important activities. Indeed, the United Kingdom had supported the need for some real growth in the element of technical assistance financed under the Regular Budget and had agreed to substantial increases in the indicative planning figures for targets for the Technical Assistance and Co-operation Fund, believing as it did that the consensus reached by the Board in 1982 for a continuation of the system of indicative planning figures demonstrated that it was an assured and effective source of funding. Inclusion of technical assistance in the Regular Budget would not satisfactorily assure the required funds, particularly at a time when restrictions and economies in national budgets were inevitably affecting the budgets of international bodies. Most contributors to the IAEA's Regular Budget were able to support no more than near-zero growth and some were strong advocates of zero and even below-zero growth. However, under the present system of funding the Agency's technical assistance programme, resources had continued to rise by larger percentages than would have been possible under the Regular Budget. Such a system could also allow for greater predictability and more effective planning.

69. He strongly advocated the continuance of the present system, which he believed was in the best interests of both recipient and donor countries. He wished to participate in drafting the resolution proposed by the Egyptian delegate.

70. Mr. COUSINS (Australia) did not want the debate on the method of financing technical assistance to obscure the gains made in technical assistance in recent years. Such gains were all the more significant in view of minimal real growth in the Agency's Regular Budget and budgetary limitations in other international organizations and in the domestic economies of Member States.

71. The system of indicative planning figures had produced stability and predictability of funding, which greatly facilitated the planning of the Agency's technical assistance programmes. The figures agreed in 1982 for the period 1984-86 provided for major annual increases in the Fund which considerably outpaced growth in the Regular Budget. He could not understand how financing technical assistance from the Regular Budget could meet the interests of all Member States in a substantial and growing technical assistance programme.

72. Australia had consistently supported the technical assistance programme, had met in full its share of the 1983 target, and expected to meet in full its share of the 1984 target. Australia had for a number of years contributed extrabudgetary funds to programmes under the Regional Co-operative Agreement in Asia and the Pacific, contributions which amounted to \$345 000 in 1983. He stressed that Australia's contributions came from its overall aid programme and would continue to be determined voluntarily.

73. In conclusion, he said that he supported the Revised Guiding Principles governing the provision of technical assistance and the Secretariat's implementation of them.

74. Mr. HOFFMANN (Federal Republic of Germany) pointed out the importance which his country attributed to the technical assistance and co-operation programme, an importance reflected in the contributions which his country had made to it.

75. He supported the Egyptian proposal, and also the figures and the arguments put forward by the representative of the United States of America. There was, he felt, no statutory problem involved in the Secretariat's application of the Revised Guiding Principles.

76. In conclusion, he believed it worth stressing once again the large increase in targets and indicative planning figures from 1978 to 1986.

77. Mr. KENYERES (Hungary) said that his Government attached great importance to the technical assistance programme. It believed that the method of financing the programme, based on indicative planning figures, corresponded to the requirements stated in resolution GC(XXV)/RES/388, namely that technical assistance should be funded from predictable and assured resources.

78. Hungary had repeatedly increased its contributions and believed that technical assistance should continue to be financed on a voluntary basis.

79. Mr. RYZHOV (Union of Soviet Socialist Republics) believed that technical assistance was one of the most important activities of the Agency and that it was not constructive to discuss the relative importance of technical assistance and safeguards.

80. He recalled that the Agency's technical assistance budget as constituted by contributions to the Technical Assistance and Co-operation Fund was not the only source of finance for technical assistance. For example, from 1976 to 1980 the volume of technical assistance provided by the Soviet Union had been 30 billion roubles, approximately 1% of his country's GNP. In 1982 it had contributed 8.1 billion roubles, or 1.3% of its GNP. Secondly, there were several other forms of activity which were of particular use to developing countries, such as the Agency's technical operations, nuclear information system, nuclear data and other activities. Technical assistance should not, therefore, be regarded as something confined to the Technical Assistance and Co-operation Fund.

81. The Soviet Union had agreed to increase its technical assistance contribution for 1984 by more than 40% compared with 1983; no such increase would be possible if technical assistance were funded under the Regular Budget. On the contrary, its incorporation into the Regular Budget would mean a freeze, since many countries (including the Soviet Union) supported the idea of zero growth of the Agency's Regular Budget.

82. The principle of indicative planning figures undoubtedly gave greater predictability and stability. Precise figures were available for 1984, 1985 and 1986 for the targets for voluntary contributions, but not for the Regular Budget. The Soviet Union agreed to indicative planning figures of \$22.5 million for 1984, \$26 million for 1985 and \$30 million for 1986 provided that the principle of the voluntary nature of the contributions and the use of national currencies continued to operate.

83. Mr. BIN DA'ER (United Arab Emirates) pointed out the great importance of the technical assistance programme for developing countries since it secured their nuclear future. He believed that technical assistance should be stable and that, to that end, it ought to be financed from the Regular Budget.

84. The Agency's Statute required the application of safeguards, and it also stated that the Agency should promote the peaceful uses of energy in all countries. Technical assistance could not be regarded as a secondary activity; it followed, he believed, that contributions for that purpose should not remain voluntary. He was convinced, moreover, that the financial factor was not the determining factor for Member States which opposed the proposal to finance technical assistance from the Regular Budget.

85. Mr. MATSUMURA (Japan) stressed the importance of the technical assistance programme and emphasized that Japan was making substantial contributions to it in spite of the difficult fiscal situation of its Government. He believed that the present system of voluntary contributions was better than any arrangement for funding under the Regular Budget because, with the system of indicative planning figures, it made technical assistance funds more predictable.

86. Mr. LEE (Republic of Korea) expressed satisfaction at the substantial improvement in quantity and quality of technical assistance delivery. However, in the long term it would be important to fund technical assistance from the Regular Budget and thereby to establish more predictable and assured resources. Technical assistance funds were still insufficient to finance all technically sound projects. He therefore urged Member States to increase their contributions.

87. Mr. PERRIER de LA BATHIE (France) said that he did not understand the reservations made about the system of indicative planning figures, which he believed to be essential. The increase in the amounts contributed to the Technical Assistance and Co-operation Fund during the last few years showed that the system had fulfilled its objectives.

88. Ms. DAVIDOVA (Czechoslovakia) expressed her country's support for the Agency's technical assistance programme and praised the work of the Division of Technical Assistance and Co-operation. Czechoslovakia's voluntary contributions would increase in 1984, and the Government would be offering fellowships for training or post-graduate work to specialists from developing countries. The latest 1982 technical assistance statistics were very satisfactory. The Agency had succeeded particularly well in obtaining funds to implement footnote a/ projects. The increase in training and the importance given to the supply of equipment were also welcome developments. Finally, it was worth saying that the Agency's efforts to promote the general development of nuclear energy and its attempts to introduce a reasonable amount of over-programming to ensure the timely implementation of programmes deserved appreciation.

89. Czechoslovakia wished the financing of technical assistance to remain voluntary.

90. Mr. HAWAS (Egypt) thanked previous speakers and clarified his earlier suggestion that, since no resolution had yet been drafted on the financing of technical assistance, a resolution on the lines of the previous year's resolution should be prepared. He stressed the importance attributed by his delegation to resolution GC(XXV)/RES/388, adopted in 1981, the implementation of which should continue to go forward. He had welcomed the system of indicative planning figures as a step towards implementing that resolution and looked forward to any further steps which might prove helpful.

91. Finally, his delegation felt that the Board of Governors should be asked to report annually on action taken to implement resolution GC(XXV)/RES/388.

92. The CHAIRMAN suggested that the Egyptian proposal be discussed in an open-ended working group meeting to be held in the afternoon and strongly urged that agreement be reached on a draft resolution.

The meeting rose at 1 p.m.