

2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons

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Technical cooperation and technology transfer activities within the framework of the International Atomic Energy Agency

Working paper submitted by Egypt

The present Working Paper was drafted and adopted by the Vienna chapter of the Group of 77 and China, in the context of the International Atomic Energy Agency (IAEA) to be submitted for consideration by the 2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons.

I. Introduction

1. The primary objective of IAEA at its inception in 1957, and according to article II of its statute, was “to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world”. It was not until about 15 years later that the Agency was entrusted with the new additional task of the application of safeguards in accordance with the provisions of the Non-Proliferation Treaty, which came into force in 1970.
2. This clearly defines the main priority area and responsibility of the Agency. However, and with due consideration to the equal importance of both areas of activity (technology transfer and safeguards) for their contribution to peace, development and stability, maintaining a balance between the significance attributed to both of them is indispensable for the effective implementation of each of the two activities.
3. Article IV of the Non-Proliferation Treaty provides, *inter alia*, for the obligation of the States parties to the Treaty to facilitate the fullest possible exchange of equipment, materials, scientific and technological information and cooperate in contributing to the further development of the peaceful uses of nuclear energy. Particular emphasis is placed on the development of peaceful nuclear applications in non-nuclear-weapon States parties to the Treaty.
4. In 1995, the Review and Extension Conference adopted by consensus the package which included three decisions, and one resolution on the Middle East. One of the decisions (decision 2) clearly stipulated the need to enhance the technical

cooperation activities of the Agency and to encourage it to render the needed resources for those activities to be in a predictable and assured manner. It is worth noting that such elements embodied in the decisions concerning, *inter alia*, technical cooperation and technology transfer was part of a package which aimed to strengthen the implementation and review process of the Non-Proliferation Treaty, and thus facilitating its indefinite extension.

II. Present status and facts

A. Status of technology transfer and technical cooperation

5. IAEA serves as the key institutional mechanism for scientific and technical cooperation in the peaceful uses of nuclear energy and has an important role in the transfer of technology to all its developing member States.

6. IAEA technology transfer and technical cooperation activities cover a vast range of domains and areas, which comprise, *inter alia*:

- (a) Nuclear power and the fuel cycle;
- (b) Food and agriculture;
- (c) Human health;
- (d) Environment and air pollution;
- (e) Industrial applications;
- (f) Hydrology and desalination;
- (g) Nuclear radiation and waste safety.

7. From 1995 to 1999, 3,324 technical cooperation projects were approved by the IAEA Board of Governors, of which 754 were included in footnote a/ (i.e., they were without financing assignment when the programme was approved). In the last five years, Technical Cooperation Fund targets represented (in total) only 89.7 per cent of the financing requirements to the approved number of projects.

8. The Agency's technology transfer and technical cooperation activities during the coming five years will be influenced by several trends and challenges which, *inter alia*, include:

(a) The use of nuclear science applications in developing countries, which is growing as local infrastructures improve and technology transfer increase;

(b) Further improvement of the efficiency and effectiveness of the technology transfer activities which is foreseen as a priority goal under the IAEA medium-term strategy covering the next five years and which will enhance the contribution of nuclear technologies towards meeting the needs and interests of a growing number of member States.

9. As a result, IAEA is expected to expand its role as the principal vehicle of multilateral cooperation in the peaceful uses of nuclear energy. Technical cooperation activities can make a direct contribution to development goals and thus to enhancing safety, stability and security.

B. Facts on the financial status of the technology transfer and technical cooperation activities of the International Atomic Energy Agency

10. The Technical Cooperation Fund was established to finance the major components of the Technical Cooperation Programme provided by IAEA to developing countries. Other sources of funding to the Programme include extrabudgetary resources, assessed programme costs and other income.

11. The Technical Cooperation Fund is made up of voluntary contributions paid by member States. The Fund's target figures are unanimously agreed upon at the IAEA General Conference.

12. During the period from 1995 to 1999, there was a continuous gap averaging more than 20 per cent between contributions made by member States and Technical Cooperation Fund targets approved. However, considering actual contributions by member States to the Fund during that period, this gap in meeting the project requirements increased to 30 per cent. Even with additional financing from extrabudgetary and other resources, there is still a shortfall of about 15 per cent.

13. The indicates that, although projects responding to the real needs of member States have been identified, the only constraint in implementing them is the limited level of resources available.

14. In recent years, some major donors have pledged only a part (20-80 per cent) of their respective targets. Nevertheless, it should be pointed out that, during the 1995-2000 period, the top 10 major donors contributed with 58.8 per cent of the total project requirements, namely, 84.2 per cent in terms of the overall contributions made to the Technical Cooperation Fund.

15. From 1995 to 1999, it is also noted that extrabudgetary resources did not increase in conjunction with increasing Technical Cooperation Fund target figure and the increasing overall resources required for technical cooperation activities.

16. The IAEA General Conference constantly stresses the need to strengthen technical cooperation activities, including the provision of sufficient resources, and has urged all member States to make every effort to pay their contributions to the Technical Cooperation Fund in full and on time, and has reminded member States of their obligations to pay their assessed programme costs.

17. Seven working groups have been established within the last 10 years in an attempt to meet the objectives of General Conference resolutions on technical cooperation financing, a fact which reflects the gravity of the lack of financing for such activities.

18. In spite of all these efforts, the resources of the Fund still remain unpredictable and unassured.

III. Recommendations

19. Particular emphasis should be placed on achieving and maintaining equitable balance between the promotional and regulatory activities of IAEA.

20. States parties' contributions to the IAEA Technical Cooperation Fund should not be considered as a mere voluntary act, but as a formal political commitment towards rendering the Fund's resources predictable and assured, as stipulated by IAEA General Conference resolutions.

21. Assessed resources for the IAEA Technical Cooperation Fund should acquire a higher status of priority in respective national administrations of IAEA member States.

22. The inalienable right of all States parties to the Non-Proliferation Treaty, in particular developing States, to full access to nuclear technology for peaceful purposes, including nuclear safety, should be upheld. The transfer of such technology should be implemented by States parties in a transparent and realistic manner within the framework of the pertinent paragraphs on technology transfer and export controls of decision 2 of the 1995 Review and Extension Conference and in accordance with the relevant provisions of the Non-Proliferation Treaty.

23. Appreciation should be expressed to all member States, including the major donor States, which respect their commitments to the Technical Cooperation Fund, and pledge and pay in full their contributions to it, and in particular to the major donors contributing extrabudgetary resources in addition to their assessed shares. Other major donor States are urged to follow suit and honour their commitments to the Fund, in accordance with IAEA General Conference resolutions, and article IV of the Non-Proliferation Treaty.

24. The Non-Proliferation Treaty Review Conference calls upon IAEA to consider all necessary ways and means in order to make the resources for technical cooperation more predictable and assured, and in conformity with decision 19 of the principles and objectives of the 1995 Review and Extension Conference.
