



STATEMENT OF THE GROUP OF 77 AND CHINA AT THE MEETING OF THE PROGRAMME AND BUDGET COMMITTEE OF THE IAEA BOG, 6-7 MAY 2013, DELIVERED BY H.E. AMBASSADOR MAHMOUD HASSAN EL AMIN, PERMANENT REPRESENTATIVE OF SUDAN

Agenda item 2: The Agency's Financial Statements for 2012 a) including the External Auditor's Report, b) the 2012 Internal Audit Activity Report and the 2012 Programme Evaluation Report

Mr. Chairman,

1. The Group of 77 and China wishes to thank DDG Lee for her introductory remarks and her team for organizing a useful workshop on 19 April 2013. The Group commends the Secretariat for the preparation of the Agency's Accounts and the Programme Evaluation Report for the Year 2012. The Group would also like to thank Mr. Vinod Rai, the External Auditor, and his staff for their report.
2. The Group appreciates the Secretariat for introducing the Internal Audit Activity Report to Member States, and requests that the specific reports be made available to interested Member States upon request.
3. The Group is pleased to note that "an unqualified opinion" has once again been placed on the Agency's financial statements. The External Auditor has made several observations and recommendations for the improvement of the Agency's financial practices. While appreciating these comments, the Group reiterates that the Secretariat should take a cautious approach when considering these recommendations and, where appropriate, consult Member States prior to taking any measures in that regard.
4. The Group notes that the number of consultants hired by the Agency since 2010 has been on the rise. The Group expresses its concern over the finding that the Secretariat hired consultants for activities for which expertise was available within it. The Group endorses Audit's recommendation in this regard and calls on the Secretariat to issue a report on the matter, including the Agency's Policies on the hiring of consultants.
5. The Group notes the observation of the External Auditor on time-frame for the implementation of the Action Plan on Nuclear Safety. The Group endorses the External Auditors recommendation that activities under the Plan may be completed within reasonable period of time.

Mr. Chairman,

6. The External Auditor has made several observations regarding the Agency's TC programme. These include issues related to building partnerships and synergy with other UN organizations, project monitoring and evaluation, Logical Framework Matrix and Work Plans. The Group stresses that these recommendations require a very careful analysis as the Agency is a unique technical international organization to which the development aid criteria should not be applied.
7. The Group would like to reiterate that the present guidelines and criteria as provided for in INF/CIRC/267 for the screening of TC project proposals, programme implementation and subsequent evaluation are sufficient and effective, and there is no need to introduce additional mechanisms for fulfilling the above objectives. Any changes to the established TC programmatic approach by the Secretariat should be considered in close consultation with Member States participating in Technical Cooperation programme.
8. On the UNDAF process, the Group believes that, while partnerships could be built where they clearly multiply impact, these should not be used as pre-requisites for approval of Member States' TC projects. The Agency needs to enhance activities related to its unique core competencies to be able to independently

implement its statutory functions related to the TCP and respond to the requests of Member States. Therefore, the Group finds it necessary that the Agency maintains a sufficient level of in-house expertise and capabilities in all areas of nuclear technology. In its core areas of competence, where the Agency has the lead mandate over any other international institution, it should be able to respond to Member States needs on a standalone basis.

9. The Group wishes to highlight that the planning of the TCP which is essentially based on the needs and evolving priorities of the recipient Member States, its implementation, monitoring and evaluation involve close cooperation between the Member States and the Secretariat. The Programme Management Officer (PMO), who is the direct interface between the Agency and the Member State, acts as the Agency's resident expert on a Member State's needs, interests and priorities. In view of the specialized nature of the work of the Agency, this well established mechanism of interfacing among the Permanent Missions in Vienna, the PMO, who is the contact point for the overall management of a Member States' TCP, and Member State's National Liaison Officers (NLOs) and Project Counterpart, cannot be delegated to UN resident representatives.

10. The Group notes the External auditor's observation that there are 23 projects per PMO per year on an average. The Group concurs with the External Auditor's conclusion that this could impact the quality of input provided by the Agency and requests it to take necessary steps to review the situation.

11. The Group believes that the Programme Cycle Management Framework (PCMF) is a detailed and comprehensive platform that functions as a project design, implementation, monitoring and evaluation tool. The Group would like to reiterate that this platform should continue to be utilized exclusively to enhance transparency among national stakeholders and to be accessible only to relevant project counterparts. 12. The Group is of the view that the quality of the Project Progress Assessment Report (PPAR) feature could be further improved by proper trainings of CPs and NLOs and by making PCMF more user-friendly. The Group emphasizes that all measures taken in this regard should preserve and enhance the ownership of technical cooperation projects by recipient Member States.

13. With these comments, the Group of 77 and China takes note of the Agency's financial statements for 2012 and the External Auditor's Report as contained in document Gov/2013/14.

Mr. Chairman,

Allow me now to turn to the 2012 Programme Evaluation Report.

1. The Group of 77 and China would like to thank the Director General, the external experts and the Office of Internal Oversight Services (OIOS) for the 2012 Programme Evaluation Report and OIOS for the briefing on 11 April 2013.

2. On the evaluation of the Agency's scientific and technical information resources, the Group takes note of the Report's finding that while the Agency is home to many world class databases, knowledge, networks and education and training resources, a sizeable part of the Agency's resources fall short of international standards. The Group is of the view that the Agency's resources are internationally considered as reference document and are widely used in developing countries. The Group also endorses the observation that though the Agency's scientific and technical resources are relevant to its mandate, they should be aligned to the needs and priorities of the Member States.

3. The Group underscores the importance of quality assurance in the Agency practices, activities and resources. In this regard, the Group is concerned that OIOS found lack of consistent quality across the Agency and that the Agency does not have an overall framework for its scientific and technical information resources. It is pertinent for the Agency to take all the necessary measures to maintain the quality of its resources to the international norms and standards.

4. On the evaluation of remediation of uranium production legacy sites, the Group takes note of the finding that Agency's evaluated remediation programmes were well delivered but could be further strengthened. According to the Report, the effectiveness of these programmes was hampered by delays in publication of process results. Such delays could be up to several years. The Group stresses the need for improved timelines for publication of relevant documents and efficient dissemination of information to the Member States requesting assistance under relevant programmes.

5. On the evaluation of the monitoring of health of Agency radiation workers, the Group notes that the Agency has a clear framework in place for radiation protection and health monitoring. The Report, however, feels the need for further improvement with regard to the practical application of regulations and guidelines owing to the unclear roles and responsibilities. The Group further notes the OIOS's conclusion that the effectiveness of the radiation protection framework and implementation was rather limited. In this regard, the convening of a working group is a welcome step. The Group hopes that this working group would effectively address issues of radiation protection within the Agency.

6. On the evaluation of the Agency's regular programme activities in transport safety, the Group concurs with the view that individual incidents resulting in denial of shipment of radioactive material is beyond the Agency's remit. However, the Agency can provide assistance and training at the local level to help in the elimination of such incidents.

7. Finally, the Group wishes to highlight the slow rate of implementation of recommendations for the period 2008-2011. A high percentage of these recommendations is still in implementation phase, while in one area not a single recommendation has been implemented so far. The Group urges the Secretariat to take all necessary steps to address this issue.

8. With these comments, the Group of 77 and China takes note of the 2012 Programme Evaluation Report as contained in document GOV/2013/16.

Thank you Mr. Chairman.

Agenda item 3: The Agency's Draft Programme and Budget 2014-2015

Mr. Chairman,

1. The Group of 77 and China wishes to thank you for convening working group on the Agency's Draft Programme and Budget 2014-2015. The Group appreciates the efforts of the Secretariat in preparing the document and the information provided during the Workshop on Financial and Administrative Matters held on 19 April 2013. The Group would also like to thank DDG Lee for introducing this agenda item.

Mr. Chairman,

2. The Group has pronounced its position during previous meetings on the preparation for the Agency's regular programme for the biennium 2014-2015 the Group has the following to emphasize:

a. The Group remains concerned over the imbalance that exists between the promotional and non-promotional activities of the Agency as reflected in the increases of the proposed regular budget directed towards non-promotional activities.

b. The need for sufficient funding from the Regular Budget for Major Programmes 1, 2, and 6 to respond to the growing needs of developing countries.

c. Meaningful steps to be taken towards making the resources of the Technical Cooperation Fund (TCF)

Sufficient, Assured, and Predictable (SAP), including an agreement to increase the resources of the TCF in a manner that matches the overall increase in the regular budget. In this regard, the Group wishes to recall that the regular budget has increased by 5.5%, 4.1% and 3% in 2010, 2011 and 2012 respectively. This adds up to 12.6 % for the period 2010-2012.

d. The TCF for each year of the next biennium needs to take into account the increase in regular budget since 2010 and the one proposed for the next biennium. Technical Cooperation Fund targets to be established for 2014 and beyond should not be less than US\$90 million per year as decided by the Board in 2011. The Group proposes that the TCF Target for 2015 be established at a level equivalent to the proposed target for 2014 plus the estimated price adjustment for that year.

e. The Group requests the Secretariat to provide further information on the rationale behind the upgrading the Office of Nuclear Security to a Division and also on moving PACT to the Department of Technical Cooperation.

f. The Group welcomes the allocation of resources for the modernization of the Nuclear Application Laboratories at Seibersdorf. The Group is appreciative of the information provided by the Secretariat on the Cancer Training Center and looks forward to receiving the Secretariat's detailed budget proposal and would welcome further consultations on the feasibility and sustainability on such an endeavour. The Group supports the modernization of the Nuclear Application Laboratories at Seibersdorf in this biennium, as envisaged in the General Conference Resolution GC(56)/19/5.

3. The Group also takes note of document GOV/2012/16 containing the Planning for the 2014-2015 and 2016-2017 Programme and Budget Proposals and calls on the Secretariat to keep reporting in such manner to inform Member States about the IAEA programme directions ahead. In this context, the Group calls on the Secretariat to regularly consult with Member States to have their inputs before finalizing any document, especially those related to programmatic changes of the TC.

Thank you Mr. Chairman.