



STATEMENT OF THE G-77 AND CHINA AT THE IAEA BOARD OF GOVERNORS, 10-14 JUNE 2002 DELIVERED BY H.E. AMBASSADOR VICTOR G. GARCIA III, PERMANENT REPRESENTATIVE OF THE PHILIPPINES

Item 3: The Annual Report for 2001

Mr. Chairman,

1. On behalf of the Group of 77 and China I would like to thank the Director-General for his very informative introductory remarks on the main issues to be considered at the present Session of the Board. I also extend the Group's appreciation to the Secretariat for the elaboration of document GOV/2002/16, which contains the Annual Report for 2001.

TECHNOLOGY

Mr. Chairman,

2. The Group of 77 and China welcomes the importance given to the area of technology in the Annual Report. The Section on Technology highlights various components that have direct relevance to the sustainable development of a large number of the Group's countries. The Group notes with appreciation the positive trends in nuclear power, nuclear fuel cycle and waste management, as well as the progress made by the concerned Member States in promoting innovative concepts in nuclear techniques. In this regard the progress made by the INPRO project deserves appreciation.

3. In non-power areas, the efforts made in relation to important fields such as sterile insect techniques, food irradiation, nutrition and isotope hydrology will indeed have a significant impact on the socio-economic uplift of the developing countries. These applications are illustrated with concrete examples and associated data which provide useful information and helps Member States in planning their future national activities.

4. The most important aspect in promoting sustainable development has been dealt with under the caption 'technology transfer'. The Group of 77 and China is particularly interested in this aspect in view of the fact that the adequacy of technology transfer from the industrially advanced countries to the developing countries can still be improved.

5. In this regard the Group notes with concern that the allocations corresponding to nuclear power, nuclear fuel cycle and waste management technology, and marine environment represent merely 5%, 4% and 7% respectively, of total disbursements. Similarly, a low figure of 7% corresponds to spending for capacity building, which is certainly not a promising figure. In this regard, the Group believes that more CRPs and a well planned program for improving academic qualifications of young nuclear scientists and engineers in developing countries is a very important tool to foster effective technology transfer and the preservation of knowledge. The Group's countries are willing to work with more advanced Member States of the IAEA, under the auspices of the Agency, to achieve this prime objective.

SAFETY

Mr. Chairman,

6. In relation to nuclear, radiation and radioactive nuclear waste safety issues, the Group of 77 and China welcomes the achievements reached under the leadership of the IAEA to establish standards of safety and to provide for their application through technology transfer, promotion of education and training, rendering of services, fostering of information exchange and coordinating research and development.

7. With regard to the safe transport of radioactive material, the Group believes that the report does not

accurately reflect the activities carried out by the Agency in this field, as mandated by the Agency's 2001 Program and Budget and approved by resolution GC(44)/RES/6. In this connection, even though the excerpt of a CRP included in the Report is useful as an assessment tool, the Group considers that this part of the Report can be improved, so as to reflect the efforts by the Secretariat in order to encourage the promotion of greater global safety, especially in what concerns the safe transport of radioactive material.

8. Having in mind the fact that the promotion of a global safety culture provides support for all peaceful applications of nuclear energy, inasmuch it allays public concerns, the Group of 77 and China is convinced that, besides the adoption of legally binding instruments and safety standards, there is still much to do to address safety and security-related issues such as information exchange, liability and emergency preparedness. The Group thus reaffirms its disposition to continue to work constructively in this field.

VERIFICATION

Mr. Chairman,

9. The Group of 77 and China takes notes that in 2001 the Agency continued to apply its safeguards system with a view to providing the international community with the assurance that States are complying with their respective safeguards commitments.

10. In this context, the Group considers that, besides the efforts towards greater effectiveness, further efforts should be undertaken by the Secretariat so as to improve the cost-efficiency of the Agency's safeguards system.

11. In relation to the references to the three 'pillars' of the Agency as 'technology, safety and verification and security', which appear several times in the Annual Report, the Group of 77 and China would like to offer the following comments:

12. In the first place, the Group would like to recall that, according to the Statute, the Agency's two basic objectives are the promotion and verification of the peaceful uses of atomic energy.

13. Bearing in mind the provisions of the Statute, as well as the grouping of the Agency's activities in three main areas, the Group of 77 and China considers that the change introduced in the Annual Report in relation to the verification pillar with the addition of the word security to qualify it is not appropriate. In this respect, the Group considers that further elaboration of the names of the existing pillars may affect the delicate balance between the promotional and verification objectives of the Agency.

14. Consequently, and notwithstanding the importance attached by the Group to the Agency's security-related activities, the Group strongly believes that the titles of the existing pillars should remain unchanged, without any amendments, and requests that the Secretariat modifies the Annual Report accordingly, taking this request into account also in respect of the future.

Thank you, Mr. Chairman.

Agenda item 4: Technical Cooperation - 4(a) - The Technical Cooperation Report for 2001 (GOV/2002/19)

Mr. Chairman,

1. The Group of 77 and China would like to commend the Secretariat for producing document GOV/2002/19, which contains the Technical Cooperation Report for 2001, as well as the supplement thereto. Both the format and distribution of important topics under the main headings of strengthening Technical Cooperation activities major achievements and costs involved are praiseworthy. The supplement is also well presented, with adequate financial data, and provides a good understanding of the overall Technical Cooperation activities during the year 2001.

Mr. Chairman,

2. The Group of 77 and China has always been deeply interested in the Technical Cooperation activities of the Agency as a means to help promote sustainable socio-economic development in Member States. In this respect, the Group is conscious of the fact that benefits of transfer of technology to developing Member States for peaceful applications of nuclear energy are reaching well to the recipient countries, as described in Part II of the present Report. The important progress made in 2001 in the thematic areas of partnership building, self-reliance of institutions and the making of the Technical Cooperation Program better known is indeed very encouraging for future years.

3. In this connection, the Group believes that the promotional areas covered under the Report for 2001 and those that will emerge from them in the future will be very beneficial to developing countries. The Group is also convinced that better results can only be achieved if the Technical Cooperation Program is based on the needs and priorities defined by the Member States and if recipient Member States are fully involved in the implementation of the program activities.

4. As the Technical Cooperation Program is directly related to the welfare of the developing Member States of the Group of 77 and China, it is necessary to maintain an adequate balance between the promotional and regulatory activities of the Agency. While being aware of the importance of enhancing safety and security-related activities of the Agency both as a means to support the promotion of the peaceful uses of nuclear energy and to contribute to the prevention of terrorism, the Group strongly believes that measures adopted in this regard should not hamper the developmental activities of the Agency.

Mr. Chairman,

5. The Group of 77 and China is pleased and encouraged to learn from the Report that the financial and technical management of the Technical Cooperation activities in 2001 showed a healthy upward trend. The level of Member States' pledges to the Technical Cooperation Fund in 2001 as the second highest ever, representing a rate of attainment of 80.01 %, the highest extra-budgetary contributions in the past 10 years and the record level of program delivery are some of the manifestations of this welcome achievement.

6. The Group would like to take this opportunity to commend the hard work and the able leadership of the department of Technical Cooperation for showing these good results. The Group will be pleased to continue extending its constructive cooperation to the Agency and in particular to the Technical Cooperation department to achieve even better results in the future.

7. With regard to the 2002 TC Strategy Review contained in document GOV/INF/2002/8, the Group wishes to express its appreciation for the efforts of the Secretariat in preparing this document. However, due to its late issuance, the Group is not in a position to have detailed comments on it at the present stage and will mainly provide some general comments on it. The Group noted with satisfaction that the strategic goal of the TC Strategy and its concepts presented in 1997 remain valid and that this Review simply represents further refinement, not a major change of the original strategy. The Group welcomes the fact that the 2002 Review of the Strategy is geared towards the achievement of sustainable development objectives and needs of Member States, and emphasizes the continued role of the Agency in fostering such objectives through the TC programme. In this connection the Group strongly believes that the concept of one house approach should be reflected in this review of the TC Strategy. Concerning the funding, the Group wishes to re-emphasize the necessity to render the resources of TCF predictable and assured, a notion which was also stressed in the mentioned Strategy Review, in concurrence with pertinent General Conference resolutions. The Group has also noted the new format and the introduction of new concepts, based on the results-based approach. The Group will be in a position to comment on this document after analysing it thoroughly.

8. With these remarks, Mr. Chairman, the Group of 77 and China is pleased to request that the Director General transmit the Technical Cooperation Report for 2001 to the General Conference.

I thank you, Mr. Chairman.

Agenda item 6: Report of the Program and Budget Committee (GOV/2002/21)

Mr. Chairman,

1. In relation to document GOV/2002/21, which contains the Report of the Program and Budget Committee, the Group of 77 and China would like to comment on the following matters:

Draft Budget Update for 2003

2. On the Agency's Draft Budget Update for 2003, the Group would like to recall the great importance it attaches to the principle that additional activities to be implemented in the areas of safety and security should not be implemented at the expense of the activities of the Technical Cooperation Program. Another essential principle for the Group is that the primary responsibility for nuclear safety and security rests with Member States themselves.

3. In regard to the financial aspects, even though the new safety and security related activities are to be funded by extra-budgetary contributions, the Group remains concerned about the extremely high level of CAURBs, which currently amounts to about 13% of the regular budget. Given the fact that the bulk of CAURBs is concentrated in one major area, the Group considers that this situation does not contribute to the desirable balance between promotional and verification activities of the Agency.

4. In light of the Group's commitment to the international efforts to prevent terrorism in all its forms, the Group believes that the enhancement of the Agency's safety and security related activities may bring a positive contribution to those global efforts. To that end, the Group stresses the need to establish clear priorities, and requests to be regularly informed on the implementation of the Action Plan considered by the Board of Governors last March. The Group also deems it very important to receive periodic information on the work of the Ad Sec (Advisory Group on Security).

TCF Targets for 2003-2004 and IPFs for 2005-2006

Mr. Chairman,

5. In relation to the recent consultations on this very important matter, the Group of 77 and China would like to express its special gratitude to Ambassador SREENIVASAN and Ambassador JENKINS for their indefatigable efforts and valuable contribution. The Group is also very appreciative of your own intense efforts, Mr. Chairman, to bring about a successful conclusion to this essential issue.

6. In this context, the G-77 and China recalls the statement made by Ambassador Sreenivasan at the PBC meeting on 6 May, wherein he made the following points:

- (i) The Group attaches the greatest importance to the Technical Cooperation activities of the IAEA not only because it benefits the members of the Group but also because it feels that the promotional responsibilities of the IAEA should have the same priority as its other statutory obligations. The developed countries have made an unequivocal commitment in this regard and unless the targets are progressively revised upwards each year, Technical Cooperation will lag behind the other activities of the Agency.
- (ii) The Rate of Attainment has already been achieved for the year 2001 and there is no reason to believe that this positive trend will not continue.
- (iii) As regards non-payments by some Member States of their shares of the voluntary contributions as well as the APCs, while it is accepted that all efforts should be made to recover the outstanding amounts to the extent possible, it would be unfair to penalise countries twice over since the 'Due account mechanism' would have already taken care of this.
- (iv) It is also important to recall that developing countries agreed to the phasing out of "shielding" from contributions to the Safeguards Budget on the understanding that there would be a substantial increase to the TCF.
- (v) According to the Zero Real Growth principle which underpins the approach to all budgetary issues at the Agency, the Target figure for 2003 will work out to USD 74.97 million. The figure for 2004 should be the

approved target figure for 2003 to which the corresponding inflation rate for 2004 has been added. As for the IPFs for 2005-2006, the rate of increase should be at least the anticipated inflation component in the intervening period. The Group also believes that targets for 2003-2004 and the IPFs for 2005-2006 should be agreed upon as a package.

The Agency's Staff Regulations (GOV/2002/17)

Mr. Chairman,

6. The Group of 77 and China has carefully analyzed document (GOV/2002/17), which contains the proposed amendments to the Agency's Staff Regulations and represents the first thorough review of these regulations, which have been applied provisionally since 1957. The Group also appreciates the issuance of Note 2002/13, as well as the briefings held on the subject.

7. With regard to the proposed amendment of Staff Regulation 4.01, on Termination of Appointments, the Group strongly believes that, in conformity with Articles VII.B and VII.E of the Statute, the authority of the Board of Governors should be preserved. In this connection, the Group stresses that it considers this as a matter of principle.

8. The Group thus believes, that in order to facilitate a possible consensus on the proposed amendments to the Agency's Staff Regulations, an alternative solution could be elaborated so as to allay the Group's concerns on the proposed amendment of paragraph 4.01(c).

Thank you, Mr. Chairman