



STATEMENT OF THE G-77 AND CHINA DURING THE IAEA BOARD OF GOVERNORS, 11-15 JUNE 2007, DELIVERED BY H.E. AMBASSADOR SAYED G. ELAMIN, PERMANENT REPRESENTATIVE OF SUDAN

**Agenda Item 3: The Annual Report for 2006**

Mr. Chairman,

The Group of 77 and China wishes to thank the Director General for his comprehensive introductory statement. The Group commends the Secretariat for preparing document GOV/2007/19 containing the Annual Report for 2006 and also for the additional Annex information. We would also like to thank Deputy Director General David Waller for presenting this agenda item.

The Group notes that the Report reflects the work done by the Agency in 2006 under its three pillars - promotional activities including technical cooperation, safety and security, and verification. The Group would like to stress the importance of ensuring balance between the promotional and other statutory activities in the management of the Agency's activities.

The Report clearly illustrates that the IAEA continued to carry out a wide range of activities covering major areas of responsibility and activities related to the application of nuclear techniques in the areas of human health, food and agriculture, industry, water resources management, environment, knowledge management and nuclear energy planning and production and thereby contributing to sustainable development in the Member States, especially in developing countries. Mr. Chairman,

The Group believes that nuclear technology constitutes a key driver to the Agency's activities. Hence, the Group takes note of the approval of all activities undertaken by the Agency, which promote the development and transfer of peaceful nuclear technologies to help address the socioeconomic needs of the developing countries.

The Group reiterates that energy is a vital need for growth. In this context, the Group notes that at current levels, the global energy consumption will increase by 53% by the year 2030, and that 70% of this growth will come from developing countries. Nuclear power, among others, is poised to play a vital role in meeting this requirement as many developing countries are considering, to include, nuclear power as part of their energy mix. The Group, therefore, welcomes the establishment of the interdepartmental Nuclear Power Support Group to assist Member States interested in the introduction or expansion of nuclear power.

The Group commends the Agency for providing energy assessment services and notes that a total of 112 Member States and 6 international and regional organizations are now using its energy assessment tools. The Group also appreciates the training provided through regional and national courses to 274 professionals from 51 States through the Technical Cooperation projects, with a view to building capacity for sustainable energy development and planning. We encourage the Agency to continue this assistance in view of the increasing demand from Member States.

The Group notes with satisfaction the publication of technical documents related to nuclear power plant operating performance and life cycle management and strengthening national and regional nuclear power infrastructures.

The Group notes the three major areas of the Agency's Technical Working Groups namely: 1) Light Water, Heavy Water, Fast and Gas Cooled Reactors; 2) International Project on Innovative Nuclear Reactors and

Fuel Cycles (INPRO); and 3) Small and Medium-sized Reactors (SMRs), and supports the work programme envisaged there under. The Group also commends the Agency for conducting training workshops on nuclear power plant simulators for education; regional training courses; the publication of TECDOCS and CRP's (Coordinated Research Projects) on a range of nuclear reactor technology issues.

The Group further notes with appreciation the Agency's databases supporting the operation of nuclear power plants, which are easily accessible to the Member States through the Internet.

The Group notes the increased interest in uranium production and supports all Agency activities related to different aspects of uranium exploration and production. The Group also endorses the initiation of CRP's aimed at improving the utilization of nuclear fuel through increased fuel burn up for both Light Water Reactor (LWR) and Pressurized Heavy Water Reactor (PHWR) fuels, and for understanding the mechanism of reactor core material degradation and failures.

The Group notes the Agency's activities listed under 'International Nuclear Fuel Cycle Information Systems' and encourages the maintenance of databases and simulation systems aimed at providing Member States with reliable and up-to-date information on world nuclear fuel cycle activities.

With regard to Capacity-building and Nuclear Knowledge Management for sustainable energy development, the Group welcomes all activities executed, initiated and planned. The Group of 77 and China expresses its appreciation to the Secretariat for the 19 new TC projects involving 63 countries and for publishing TECDOCS related to Energy, Economics and Environment Analysis, Nuclear Infrastructure and Knowledge Management. The Group also notes with satisfaction that the membership to INIS continues to grow with 140 Member States as well as the increase in its bibliographic database records and electronic full text documents.

The Group welcomes and reiterates its support for all activities as detailed under atomic and nuclear data, research reactors, accelerators, nuclear instrumentation and spectrometry and Nuclear Fusion. The Group requests the Agency to keep the Member States informed periodically on the progress in these areas.

With regard to the boxed section entitled "New Approaches to the Nuclear Fuel Cycle" on page 12 of the English version of the draft report, on the issue of assurances of fuel supply, the Group considers this issue as a complex one that requires a phased approach while addressing in-depth, the associated technical, legal and economic aspects. In this context, the Group is of the view that it is premature for this issue to be considered by the Board before the various aspects and concerns have been adequately addressed. In addition, the Group is of the view that this issue has been unduly highlighted and the Annual Report should be modified to reflect these concerns and be restricted to the Agency's statutory activities. Mr. Chairman,

The Group continues to emphasize the importance of the Agency's role in early prevention, diagnosis and treatment of cancer and commends the Secretariat's efforts in this regard through the development and application of nuclear techniques within the framework of quality assurance.

The Group welcomes, in particular, the initiation of a Coordinated Research Project (CRP), which aims at comparing radiotherapy techniques for breast cancer, considering that 11% of all cancer related deaths among females are caused by this type of cancer.

The Group remains concerned that within the next decade or so, more than 50% of cancer cases will occur in the developing countries, which lack the adequate resources to address this problem. In the context of the Programme of Action on Cancer Therapy (PACT), the Group welcomes the voluntary contributions from Member States, the OPEC Fund for International Development, the U.S. National Cancer Institute and private corporations. The Group appeals to all Member States to continue making contributions to PACT to enable it to function in accordance with its goals and mandate given by the Board of Governors and the General Conference and encourages the Agency to continue its fund raising activities for PACT.

The Group of 77 and China welcomes the establishment of the IAEA Nobel Peace Prize Fund Schools for Nutrition in Latin America and Africa. The Group is of the view that the IAEA Nobel Cancer and Nutrition Fund will strengthen the Agency's contributions to combating malnutrition in children in developing countries, and human resource development in the field of cancer management and radiation oncology.

The Group acknowledges the valuable contribution of the Agency towards capacity building in developing countries on the use of nuclear techniques to determine the role of nutrition in helping to ensure the healthy development of children. The Group voices its concern that millions of children die throughout the developing world due to poor nutrition and appreciates the Agency's contribution and assistance to Member States in the use of stable isotope techniques as part of nutrition prevention intervention programmes to combat malnutrition in children.

The Group reiterates its serious concern on the global HIV/AIDS pandemic, which requires cooperation by all Governments, International Organizations and Civil Society. The Group notes with appreciation that in 2006, the Agency initiated a regional technical cooperation project for Africa, which is evaluating the efficacy of supplementary food for people living with HIV/AIDS.

The Group would like to reiterate the great importance it attaches to safety and believes that it constitutes an important element of any nuclear programme.

The Group commends the efforts made by the Agency over 50 years in order to establish, strengthen and maintain the peaceful use of nuclear energy and notes with satisfaction that the implementation of the Action Plan for the Development of IAEA Safety Standards has improved safety standards in terms of quality and utilisation by Member States. In this context, the Group would like to thank the Secretariat for the publication, in 2006, of the IAEA's Unified Safety Fundamentals on the Agency's web site in a view to ensuring a wider utilisation of these standards.

The Group also notes in this regard the Secretariat's continuing efforts to improve its recruitment practices with regard to staff members from developing countries, and from other Member States which are unrepresented or under-represented in the Agency's Secretariat, pursuant to General Conference resolutions.

#### **Agenda Item 4: Technical Cooperation Report for 2006 (GOV/2007/16)**

Mr. Chairman,

The Group of 77 and China wishes to thank the Deputy Director General, Ms. Cetto for her Introductory Statement and commends the Secretariat for preparing the Technical Cooperation Report for 2006 as contained in document GOV/2007/16.

The Group appreciates that the Secretariat concentrated on building partnerships with national, regional and international development organizations, in line with the TC Strategy.

The Group would like to recall that the Report on the UN system-wide coherence is still under consideration in the UN General Assembly. The Group believes that a "one UN" approach for development, financing and delivery of country programmes by all UN system organizations, including the IAEA, may have far reaching implications on the delivery of the Agency's programmes and could, in particular, have a negative impact on the TC programme in many areas. The Group believes that such a system should not diminish in any way, the volume, character and specificity of the Agency's operations and services.

The Group underlines that the relevance of the Secretariat's activities and any steps to be considered to implement the recommendations of the Report of the Panel should be thoroughly discussed with Member States. The Group looks forward to receiving more information from the Secretariat in this regard.

The Group wishes to reiterate the great importance that it attaches to the Agency's technical cooperation activities, as they are the main statutory vehicle for transferring nuclear technology to developing countries for their socio-economic development. The Group strongly emphasizes that the promotion of peaceful applications of atomic energy constitutes a fundamental element of the statutory activities of the Agency.

The Group welcomes the Agency's continued efforts in incorporating a gender perspective into technical cooperation for development, and supports its works towards the establishment of an Agency-wide policy on gender.

The Group of 77 and China takes note that the TC Programme has met or surpassed 3 out of 4 of the agreed performance indicators. The Group is, however, concerned that "sustainability" has been narrowly interpreted and had focused only on the generation of revenue as a measure of performance. The Group is of the view that sustainability means an assurance that an activity has continuity in every aspect viz. economic, social, technological, institutional and environmental. Hence, the Group would like the TC Programme to devote equal emphasis on the all aspects of sustainability in order to ensure that developing Member States reach a level of capability and competence to fulfill their current and future needs. In this regard the Group would like these considerations to be reflected in the TC report.

The G-77 and China requests the Agency to double its efforts to overcome the problems and difficulties which are hampering the adequate implementation of TC activities of the Agency and in this regard, underlines the need to address the issue of supply of specialized equipment.

The Group takes note that extrabudgetary contributions reached a new high in 2006. However, the Group continues to be concerned that restrictive conditions are being placed on such contributions and in this regard, would like to stress the need for immediate action on the recommendations of the External Auditor on this matter.

The Report observes that the resources made available to the TC program and the delivery of this programme both showed significant upward trends in 2006. The Group notes with appreciation that commitments and support from Member States were clearly marked by an increase in the rate of attainment reaching 93% by the end of the year 2006, and a record high of \$101.0 million with \$76.8 million for the TCF, \$ 22.3 million in the extrabudgetary resources, and \$1.9 million in-kind contribution. The Group looks forward to the review of the rate of attainment and recalls in this context that the objective of this mechanism is to achieve 100%.

The G-77 and China attaches high importance to the issue of funding TCF and remains convinced that the TC programme cannot achieve its objectives without sustainable financial resources. In this regard, the Group recalls resolution GC(50)RES/12 which requests the Secretariat to inter alia explore all "means to ensure that resources for the Technical Cooperation Programme are sufficient, assured and predictable, and to report to the Board of Governors on its findings."

The Group considers that a response to this request should be one of the main elements of the report under consideration. Therefore, the Group regrets that the exploration work requested by the resolution has not been started yet.

In this context, the Group requests the Secretariat to prepare a report identifying the difficulties and issues related to TCF funding and an analysis of past attempts to ensure that resources for the Technical Cooperation Programme are sufficient, assured and predictable, including funding through the regular budget. This issue should be an item of the agenda of the Board of Governors Meeting in September 2007.

While noting that the Secretariat may have to modify the due account mechanism in order to ensure payment of the outstanding APCs, the Group would like to receive information on how this mechanism was also

applied in the procurement from all Member States, including donor countries. The Group stresses that this mechanism should be applied in a strict and equal manner to all Member States. The Group notes that the information contained in the supplement of the Report indicates that the mechanism has not been adequately applied in some cases and requests the Secretariat to provide an explanation on that. The Secretariat, in the future, should provide the data on the application of this mechanism during the year under review.

The Group would like to commend the work done by the staff of the TC Department under increasing workload conditions to achieve higher implementation rate for 2006, which was 75.2% in comparison with 68% for the year 2005. However, the Group wishes to see the calculation of this rate be also based on the TC-approved core programme, which would give a better indication of the use the TCF for implementation of the approved programme. The Group of 77 and China would like to highlight that the implementation rate should also take into account other factors.

The Group notes that 10 EU Member States using the TC programme have declared to continue participation in the TC programme with a view to becoming net contributors. The Group also notes that the result of this action may lead to a reduction of about 20% in national project for EU States. The Group hopes that this trend could lead towards increasing resources to be allocated to Least Developed Countries (LDCs).

#### **Agenda Item 5: Report of the Programme and Budget Committee**

Mr. Chairman,

The Group of 77 and China takes note of the report of the Programme and Budget Committee contained in document GOV/2007/20 and regrets that there has been no consensus on the Programme and Budget for 2008-2009. The Group notes that an open-ended working group has been set up under the able Chairmanship of H.E. Ambassador Milenko Skoknic, Resident Representative of Chile. The Group hopes that the deliberations of this open-ended Group would lead to an early adoption of the Programme and Budget.

In this regard, the Group appreciates the efforts of the Secretariat in presenting various scenarios to address the concerns and requests expressed by Member States.

The Group would like to reiterate that its two main concerns remain, on the one hand, to preserve the Agency's competence across all its statutory activities and on the other hand, the need to ensure a balance between verification and promotional activities, particularly the technical cooperation programme.

In this context the Group recalls the proposals conveyed to the Secretariat and the Chairman of the Board through its letter of 25 May 2007, particularly the following measures:

- Based on the Package adopted in 2003, any increase in the Regular Budget must have a corresponding increase in the resources of the Technical Cooperation Fund.
- Vulnerability of the Technical Cooperation Fund should be addressed, in the context of GC(50)/RES/12, that requests the Secretariat to inter alia explore all "means to ensure that resources for the Technical Cooperation Programme are sufficient, assured and predictable, and to report to the Board of Governors on its findings". Therefore, negotiations on the issue of funding of the Technical Cooperation Fund should begin in earnest.
- Deshielding should be deferred for the time being.

The Group reiterates that consideration of these measures is crucial to the agreement on the programme and budget for 2008-2009. Thank you, Mr. Chairman.