



STATEMENT OF THE G-77 AND CHINA DURING THE IAEA BOARD OF GOVERNORS, 12-15 JUNE 2006, DELIVERED BY H.E. AMBASSADOR HORACIO BAZOBERRY, PERMANENT REPRESENTATIVE OF BOLIVIA

Agenda Item 3: The Annual Report for 2005

The Group of 77 and China wishes to thank the Director General, Dr. Mohamed ElBaradei, for his introductory statement highlighting the various Agenda items of this meeting. The Group would like also to commend the Secretariat for the preparation of document GOV/2006/23 that contains the Annual Report for 2005.

The Group has carefully studied the Annual report, which contains a summary of the Agency's main activities in 2005, and would like to make the following comments on different parts of this document.

Mr Chairman,

The Group of G77 & China firmly believes that technology constitutes the core of Agency's profile and the basis for achieving its goals, particularly since it contributes to the socioeconomic development of its Member States and enhances Agency's credibility with regard to all pillars. The Group wishes to stress in this regard that it is fundamental to maintain a fair balance between all the pillars of the Agency and that this principle should be respected in planning, funding and implementing its programmes. The Group is of the view that measures responding to non-proliferation, safety and security concerns should not hamper such balance, nor should they constitute a barrier for technology transfer.

In this context, the Group notes that the Agency continued to be the global focal point for cooperation in the use of nuclear energy for peace and development and its activities focused on facilitating the development and transfer of peaceful nuclear technologies.

The Group endorses the wide ranging activities undertaken by the Agency viz. providing scientific and technological support in the application of nuclear techniques for food and agriculture, human health, industry, water resource management, environment, knowledge management and nuclear energy planning and production

Mr Chairman,

The Group considers energy as a vital tool for growth. In this context, it notes that 2005 was a year of rising expectations for nuclear energy in view of rising oil and natural gas prices, environmental constraints on the use of fossil fuels, energy supply concerns and nuclear power's performance record.

The Group notes that at the end of 2005, there were 443 nuclear power reactors operating worldwide accounting for 16% of world electricity production. The Group notes that this data is based on the Agency's PRIS database, which is enhanced to improve data consistency and completeness, and for better applicability of PRIS statistics.

The Group encourages the continued efforts of the Agency in assisting Member States which are increasingly opting for nuclear power to meet their growing energy needs, and should not be faced with undue constraints on the transfer of relevant nuclear technology.

With regard to increasing Member States capabilities in the planning and implementation of the nuclear

power programmes, the Group notes with satisfaction the preparation of reports on the minimum infrastructure necessary to establish a nuclear power programme and all issues associated with it. The Agency should also facilitate technical assistance necessary to establish and enhance nuclear power infrastructure in the interested Member States.

Mr Chairman,

With respect to technology development for additional applications and expanding nuclear power, the Group notes the activities organized by the Agency to advance the development of Small and Medium Sized reactors (SMR) which focus on the need of countries with small grids and limited infrastructure. The Group further notes with interest the design and technology development of small reactors without on site refuelling and looks forward to the results of the CRP initiated on such reactors.

The Group also supports Agency's activities related to nuclear desalination and notes the release of the latest upgraded version of the DEEP Software to assist Member States in the economic evaluation of sites specific cases involving various types of nuclear reactors and desalination systems.

The Group supports complementary activities in all innovative and advanced reactor designs undertaken through INPRO and Generation IV projects, as well as national initiatives. It notes with satisfaction the continued growth in INPRO membership, and looks forward to the implementation of the next phase of this international project.

With regard to ITER, the Group notes the agreement among the ITER partners on future arrangements and on its construction at Cadarache in France. Activities undertaken including the CRP on research using small TOKAMAK through the Abdus Salam International Centre for Theoretical Physics to promote International collaboration and facilitate the exchange of information of nuclear fusion are also noted.

Mr Chairman,

While the Group is concerned about the increase of more than 350% in the uranium prices between 2001-2005, it notes with satisfaction the consensus at the Agency's symposium on 'Uranium Production and Raw Materials for the Nuclear Fuel Cycle' that uranium resources are adequate to fuel the projected expansion of nuclear power. The Group, however, notes that additional investment would be needed towards attaining this objective. The Agency must play a proactive role in supporting the exploration and processing of new sources, and the reprocessing of the spent fuel, by facilitating technology transfer in these fields to Member States that have the potential for this activity. The Group also notes that the Agency has published three TECDOC's on the issue and its related aspects and provided guidance, assistance and training to personnel from MS in related areas.

G-77 and China is conscious of the challenges arising out of disposal of spent nuclear fuel and waste management. In this regard, the Group notes the Agency's efforts to address the issue through a series of CRPs on spent fuel performance assessment and research. The implementation of a regional technical cooperation project on the management of spent fuel from research reactors is also noted. The Group looks forward to receiving conclusions of the Agency's meetings on the long storage spent fuel.

In the light of the increasing importance of the decommissioning issue, the Group encourages the Agency to continue to provide guidance on the choice between decommissioning and license renewal and to assist in coordinating the exchange of best practices among Member States.

Mr Chairman,

The Group supports all the Agency's efforts in the area of nuclear knowledge management and human capacity building. With regard to energy assessment and planning, the Group notes that the Agency's

updated energy planning tools are used in more than 109 countries and that energy professionals from 51 countries were trained to analyze national options for meeting the energy demand. The Group encourages the Agency to continue its analytical studies to complement its training programme.

The ageing workforce in nuclear industry necessitates recruitment of new technical staff, but the dwindling interest in offering specialized nuclear-related courses in advanced universities calls for greater efforts on the part of Agency to support academic studies in nuclear related fields. The Agency should continue supporting activities like the courses of World Nuclear University summer institute for the benefit of developing countries.

The Group appreciates the Agency's focus on the maintenance and preservation of nuclear knowledge by developing the guidance and methodology on knowledge management, as well as tools and services for better access to nuclear information and knowledge.

The Group notes with appreciation the record pace at which International Nuclear Information System (INIS) database is expanding and the fact that students at 283 universities now have free access to this system with nearly a million authorized users.

The establishment of the 'Nucleus', an information portal to provide a common access point to individuals in different professions to Agency's nuclear knowledge and information resources is also noted with appreciation. In the same vein, the Group encourages expanding the use of Information and Communication Technologies for training and education in several developing countries.

Mr Chairman,

The Group expresses its satisfaction with the high level of nuclear safety performance reflected in the annual report. However, the Group shares the concern over the lack of appropriate funding in regulatory bodies and research reactors to adequately deal with potential safety challenges. While the efforts of the Agency in this regard are laudable, it is equally important for the Agency to facilitate supply of safety-related equipment and systems to developing Member States.

The Group wishes to underline the importance it attaches to training activities in the field of safety and requests the Agency to continue and enhance its assistance to developing Member States in this regard.

The global opinion poll commissioned by the Agency shows diverging opinions on nuclear power. While 62% of people polled supports continuation of existing power plants, 59% are not in favour of building new nuclear power plants. The results of this poll show clearly, in light of the Agency's efforts in improving and enhancing nuclear safety, that there is a need for further communication and education efforts on nuclear power. The Group is of the view that the increasing focus on verification and non-proliferation issues in the Agency and the inflated reference to the Agency as a nuclear "watch-dog" in the media is not helpful and tends to overshadow its other activities. Promoting the image of nuclear energy as a safe source is becoming more pressing in the view of the growing need for nuclear power.

Mr Chairman,

In the area of nuclear science, recalling that 2005 was declared "World Year of Physics", the Group appreciates the Agency's effort to provide data users in Member States with cost free access to the most important basic numerical data needed in a wide range of energy and non-energy applications. The Group notes the growing request for these nuclear data services indicated in the Report and notes the role of the Agency as the main source of up to date information in this area. In this regard, the Group would like to thank the Secretariat for organizing training activities on nuclear data

Conscious of the need for raising a new generation of nuclear scientists and engineers as part of nuclear

knowledge management, as well as of other challenges developing countries are facing in implementing or expanding nuclear power generation, the Group hopes that it would be possible for the Agency to meet these challenges through developing innovative technologies, their effective transfer to countries which may need them and through further capacity-building in the field of human resources.

In the area of Health, the Group expresses its appreciation with regard to the Agency's efforts to enhance the capabilities in Member States to address the needs related to the prevention, diagnosis and treatment of health problems.

The Group takes note with appreciation on the launching of a new programme to build capacity in dosimetry and looks forward to receiving the training material in medical physics developed by the Agency in this regard. The Group would also like to thank the Agency for the publication of the Nuclear Medicine Resource Manual, which is a very useful guide for the establishment of a nuclear medicine service and for performance optimization.

The Group takes note of the WHO report on cancer control which states that the Agency has contributed information on the planning and practical implementation of radiotherapy services in low to middle income countries. In this regard, the Agency's QUATRO service is much appreciated.

The Group wishes to emphasise that the Programme of Action on Cancer Therapy (PACT), which is one of the priorities of the Agency, embodies in a clear way the peaceful use of atomic energy for civilian and humanitarian purposes.

The Group would like to thank the DG for all actions taken to strengthen the programme and the PACT Management Office for the progress achieved so far. The Group thanks also Member States that have been making contributions to this programme and encourages them to enhance their donations for a better and more efficient implementation of the programme.

Mr Chairman,

In the context of the Agency's activities related to physical and chemical application, the Group is pleased to note that some CRPs were developed particularly to improve health care, industrial performance and effective quality control processes, and welcomes, in this regard, the results of the CRP on the development of radioactive sources for the treatment of prostate and eye cancer, for portable radiation sources for radiographic monitoring.

The Group welcomes the initiative of the Agency on the development of modular distance learning tools on radiochemistry for university and research students, and looks forward to the distribution of these modules to Member States.

Mr Chairman,

In the field of research reactors, the Group takes note of the Agency's focus on the promotion of regional collaboration and networking in the areas of radioisotope production, education and training, and neutron beam applications, in order to strengthen the development of strategic utilization plans. The Group appreciates that the Agency had organized a symposium on the utilization of accelerators for scientists from developing countries.

The Group takes note that the Agency has completed a number of national and regional activities to improve the capacity of laboratories in developing countries to utilize, maintain and repair nuclear instruments. The Group looks forward to receiving feedback on the outcome of the CRP on the development of harmonized quality assurance and quality control procedures for the maintenance and repair of nuclear instruments. The Group also appreciates the distribution of 250 training kits for nuclear instrumentation.

The Group notes with appreciation that the Agency has helped introduce plant breeding and selection methods that can lead to new, better adapted and higher yielding varieties of basic food and industrial crops, in developing countries. The Group would like to thank the Agency's support on the CRP on sustainable crop production in agro-forestry systems.

The Group welcomes the publication of the first comprehensive textbook on Sterile Insect Technique (SIT), notes the expansion of the ongoing project to assess the feasibility of using SIT to control malaria-transmitting mosquitoes and supports its expansion to combat locust.

The Group would like to thank the Agency for initiating a CRP on combating micronutrient deficiencies, the first of its kind, which supports post-graduate students in developing countries.

Mr Chairman,

The Group expresses its appreciation also for the progress achieved in water resources management using the isotope technology, and is pleased to note the increased emphasis given by the Agency to foster partnerships with national counterparts and international organizations in order to maximize the impact of its activities. In this regard, the Group welcomes the results of the CRP on the application of isotope techniques to understand the migration of agricultural or other contaminants to groundwater.

The Group would like to thank the Agency for facilitating over 80 technical cooperation projects in water resources development and management in developing Member States.

In relation to paragraph 59 of the Annual Report, about "New approaches to the nuclear fuel cycle", where it is stated that "Several member States welcomed the recommendations of the report and encouraged the Agency to take the next steps towards their implementation", the Group of 77 and China would like to draw the attention to the fact that according to the Official Records of the Board sessions of 2 March 2005, the representative of the Non-Aligned Movement and few individual Board Members took the floor to make comments on the issues contained in the Expert Group on Multilateral Nuclear Approaches (MNA). In its statement, NAM said, inter alia, that it was not in a position to offer detailed comments on the Report; while the individual Member States expressed differing and, in most cases, preliminary opinions about issues contained in the Report.

It should be also recalled that, as stated in paragraph 9 of the Expert Group Report, that Group consisted of individuals, participating in their personal capacity, selected by the Director General. Furthermore, it is stated in paragraph 10 of the Expert Group Report that "Although the Expert Group agreed to forward its report to the Director General, it is important to note that the report does not necessarily reflect agreement by all of the experts on the desirability or feasibility of MNAs, or on all of the options. Nor does it reflect a consensus assessment of their respective value. It is intended only to present possible options for MNAs and to reflect on the rang of factors that could influence the consideration of those options".

In the light of the information that I have mentioned, the Group of 77 and China requests the Secretariat to redraft paragraph 59 of the Annual Report accordingly.

Thank you.

Agenda item 4(a): Technical Cooperation Report for 2005

The Group of G77 and China wishes to thank the Secretariat for producing the report contained in Document GOV/2004/24 and its supplement, as well as the Deputy Director General Ana Maria Cetto for her introductory statement.

The Group attaches paramount importance to Technical Cooperation as a pillar of the Agency and means for nuclear technology transfer, as well as an efficient tool for accelerating the socioeconomic development of developing countries. For this reason, the Group reiterates that financial resources of TC should be assured, predictable and sufficient. Payment of contributions in full and on time is important in this regard. The Group calls on developed Member States to further increase their contributions to TC through TCF and Extra-budgetary funding.

Mr Chairman,

The year under review shows that the Agency has continued to assist Member States in areas of vital importance such as food and agriculture, human health, industry, water resource management, environment, knowledge management and nuclear energy planning and production. It is highly important that this assistance is maintained and enhanced in response to Member States' needs, as well as national and regional priorities, in line with the TC Strategy and the pertinent resolutions of the General Conference.

The Group is pleased that TC activities are addressing at least 5 out of the 8 Millennium Development Goals in the areas of environmental sustainability, combating disease, hunger and poverty, maternal health and child health. The Group encourages the Secretariat to ensure that the TC programme maintains its valuable contribution to the fulfilment of those objectives. In this regard, the Group highly appreciates the Secretariat's efforts aiming at developing and encouraging international and regional Partnerships to mobilise further support and financial resources for Technical Cooperation.

The Group appreciates the support of the Secretariat through TC to all efforts aimed at promoting Technical Cooperation among Developing Countries through inter-alia regional resource centres. In this regard, the Secretariat is encouraged to continue its assistance to regional cooperative agreements. The Group notes the Agency's supporting efforts in all regions for promoting self-reliance and sustainability in Member States.

In the field of nuclear knowledge, the Group notes with appreciation that a number of activities were implemented in several regions, with the objective of enhancing and strengthening national capabilities. The Group encourages the Agency to continue its efforts directed at preserving and developing skills and competence through intensifying its cooperation with national and regional institutions.

The Group reiterates the importance for the Agency to continue assisting Developing Countries in the field of non-power applications and wishes to renew, in this regard, its support to the use of the Sterile Insect Technique in its different applications, and its enlargement to combat the Mediterranean fruit fly, malaria and locust.

Mr Chairman,

The Group notes with satisfaction the overall improvement in financial and delivery indicators. It is worth noting that delivery in 2005 has been above the 2004 level and that new resources have increased compared to the same year, while new obligations have reached an all time high level. It should be also noted that the implementation rate for 2005 stood at 68.6% against 68.1% in 2004. However, this rate is much higher if calculated based only on the TC approved core programme. While expressing its appreciation to the staff of the Department for planning and implementing the programme, the Group calls on the Secretariat to make more efforts to improve the implementation rate.

While noting the extremely high number of unfunded footnote a/ projects, the Group is pleased to note that extra-budgetary resources increased by more than one third over 2004 level, and contributed to funding 25% of foot note a/ projects. In this connection, the Group calls on donor countries to show more flexibility in the use of these resources in order to improve the implementation of TC projects and activities.

Mr Chairman,

Noting the difficulties encountered in using the web based interaction in line with the Programme Cycle Management Framework (PCMF), the Group is of the view that more time is required to achieve a successful implementation. Furthermore, the Group reiterates that Permanent Missions of concerned Member States should be allowed appropriate access to follow the web-based development of TC projects and looks forward to assessing the new formula at the end of the 2007-2008 cycle.

Regarding other Management issues, the Group recalls that the restructuring of the TC Department and the review of the programming process were meant to enhance internal coordination and the Programme Planning and delivery. Mindful of the initial assessment contained in the report, as well as the results of the "satisfaction survey", the Group stresses that continuous consultations with Member States are fundamental for successful implementation of any new measures.

The Group is pleased to note that Section Heads in the Department are being appointed to complete its new structure, without further delay, and is willing to continue dialogue with the Department with the view of assessing the impact of this restructuring.

The Group looks forward also to the review of regional programming and of National Liaison Officers' profile, as well as to consultations with TC Department on the other initiatives it intends to take. The Group takes the opportunity to welcome plans aiming at improving women's presence and participation in line with the General Conference resolutions and wishes to highlight, in this regard, the importance it attaches to equitable geographical representation in the Secretariat.

With these comments, G77 and China agrees to the recommended action.

Thank you

Agenda Item 4 (b): Technical Cooperation Fund targets for the 2007-2008 biennium

Mr. Chairman,

The Group of 77 and China would like to express its appreciation to the Co-chairpersons for the able manner in which they have conducted the consultations and renews its willingness to cooperate fully with for a successful conclusion of the consultations.

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, in keeping with the IAEA's Statute.

Over the years, the Group has participated actively in the discussions and negotiations regarding the TC Programme. By doing so, our membership has sought to ensure that the IAEA technical cooperation activities are strong, efficient and effective in meeting national needs in a sustainable manner and that they continue to keep up with the growing needs of developing countries in key areas for their sustainable development, such as the peaceful applications of nuclear technology in human health, power generation, industry, water management and agriculture.

One of the most important conditions to achieve this goals is, as stressed by the General Conference resolutions, is to ensure that the Agency's resources for technical co-operation activities are assured, predictable and sufficient.

In spite of all efforts made and the introduction of the mechanism of the Rate of Attainment, this objective is still not achieved. Furthermore, TCF targets have been frozen or registered an insignificant increase from 1999 to 2004. This led to an insufficient level of the TC programme with a large number of footnote a/

projects without funding, while a new system of NPCs has been introduced and payment by developing Member States improved.

With all this in mind, G77 and China contributed to the consultations on the TCF targets for 2007-2008 and the Indicative Planning Figures for 2009-2011. The Group has based also its participation on the package of 2003 and the agreement of 2004, which both set the ground of an increase in the TCF target. During the meetings of the Working Group, as well as in his consultations with the Co-chairpersons, our Group has shown enough flexibility to achieve a consensus.

The Group wishes to reiterate that an agreement on the target and the IPFs is only acceptable if takes into account that:

- The package of 2003 which indicates that from 2005 onward, TCF targets shall be negotiated based on the changes in the level of the Regular Budget and the price adjustment factor;
- The agreement of 2004 which stipulates that TCF targets for 2007 shall not be less than 78.5 Million USD, this figure being only an indicative bottom line and that by doing so the Board indicated the need for a real increase;
- Since the last time the target has been set 4 new members have joined the Agency and that 2 new candidatures have been introduced
- The necessity to maintain a balance between the statutory activities of the Agency.
- The need for the Agency to send a political message that it attaches appropriate importance to Technical Cooperation.

In this regard the Group is repeating its proposal which was presented today by the Chairperson of the TCF target Working Group at the amount of 81.5 Million USD.

Agenda Item 4 (c): Review of the Initial Implementation of National Participation Costs

Mr Chairman,

The Group of G77 and China thanks the Director General for the report on the review of the Initial Implementation of National Participation Costs, contained in Document GOV/INF/2006/8, and the Deputy Director General for Technical Cooperation for her presentation.

The Group would like to thank the Secretariat for the work carried out in the framework of implementation of this new mechanism and shares the view that a complete assessment of the NPCs system can only be achieved when TC projects introduced in 2005-2006 are completed. In this connection, the Group notes with satisfaction that all Member States except two have paid their NPCs.

The Group notes with concern delays in projects commencement due to difficulties deriving mainly from the implementation of a new system and in particular the requirements of national regulations and budgetary cycles and regrets, in this regard, the lack of flexibility. All stakeholders should circumvent any delays in the future to ensure a timely and efficient implementation of the programme to meet the urgent needs of developing countries. It is important, in this regard, to avoid situations where projects could be moved to footnote a/ status.

Mr Chairman,

The Group is pleased to note that in-kind contributions, as evaluated by the Secretariat, rose from 0.6 million in 2004 to 1.2 million in 2005, which constitutes a further financial contribution by developing Member States to the TC programme.

The Group notes that in-kind contributions are currently evaluated only on the basis of assistance transferred between member States and that these contributions are reported both as new resources and as

disbursements in the TC Report each year. The Group is of the view that the Secretariat should take into consideration the issue of in-kind contributions as a whole, including contributions made by the recipient Member States to their national projects, since those contributions can be evaluated financially.

Bearing in mind the importance of the issue and recalling the package agreement of 2003, the Group emphasises that the Secretariat should continue exploring, in consultation with concerned Member States, means of a more accurate valuing of in-kind contributions and the possible in-kind payment of NPCs pending the finalisation of IPSAS provisions.

Mr Chairman

Regarding projects funded, totally or partially, by the Programme reserve, and footnote a/ projects upgraded mid-cycle to core projects, the Group considers that NPCs down-payment obligation should not apply. First, because they are limited in number and amounts. Second, because of the urgency characterising the use of the Programme reserve. Third, because of the difficulties concerned Member States may face in making such mid-cycle payment in a timely manner. Fourth, down-payment obligation in this case may cause further delays in the projects implementation, as well as it increases the workload for the Secretariat.

For these reasons, the Group requests that the Board decides this category of projects is exempted from the 2.5% down-payment condition, bearing in mind that this concerns only Member States who would have already paid at least 2.5% of their core national programme.

Mr Chairman

With regard to possible application of NPCs to Regional and interregional projects, The Group would like to stress that NPCs are already applied to fellowships and scientific visits, and shares the views and concerns expressed by the Secretariat on the issue in the report under consideration.

The Group is not in a position to accept payment of NPCs based on estimations, nor finds it appropriate that developing Member States be charged a fixed amount on their participation to regional and interregional projects. Furthermore, the Group would like to draw the attention to the nature of these projects as described in the Secretariat's report as well as to the difficulty in estimating individual benefits to specific Member States under regional and interregional projects. It should be also underlined that such projects play an important role in promoting TCDC, to which the Agency is committed.

The Group looks forward to the review of the Regional programming announced by the Secretariat.

Thank you Mr Chairman

Agenda Item 5: Report of the Programme and Budget Committee

Mr Chairman,

The Group of 77 and China would like to thank DDG David Waller for presenting the report of the meeting of the Programme and Budget Committee, from 2 to 4 May 2006, as contained in document GOV/2006/26.

The Group would not restate its comments expressed during the PBC meeting. The Group wishes only to revisit one issue on which there has been, unfortunately, no consensus, namely the financing of the Programme of Action on Cancer Therapy, which is of a highest importance. It should also be recalled that it has been agreed that this programme is one of the priorities of the Agency.

The Group would also like to reiterate that in the past, the Board of Governors has authorized the use of regular budget cash surpluses to finance various initiatives of safeguards and security enhancement of the

VIC premises. The Group believes that this could be also applied to PACT.

Finally, the Group calls on all Members States to show flexibility in their consultations with the Chairman of the Board in order to find a solution for the financing of this Programme as soon as possible. Thank you Mr. Chairman.

Thank you.