



STATEMENT OF G-77 AND CHINA OF THE IAEA BOARD OF GOVERNORS, 14-17 JUNE 2004,
DELIVERED BY H.E. AMBASSADOR TAOUS FEROUKHI, PR OF ALGERIA

Agenda item 3: The Annual Report for 2003

Mr. Chairman,

At the outset the G-77 and China is pleased to see you chairing this Board of Governors session and would like to assure you of its support and cooperation. Allow me also on behalf of the G-77 and China to express its thanks to the Director-General Mr. Mohamed ElBaradei for his comprehensive introductory statement and to the Secretariat for producing the Annual Report for 2003 as contained in the Agency document GOV/2004/26.

The Group of 77 and China appreciates the Report and finds it informative and useful as it presents a systematic description of the work carried out by the Agency during 2003 under the three pillars of its activities, i.e., technical cooperation, safety and verification. The overview at the beginning of the Report provides quick information on the main areas of interest of the Member States. The Group has noted with interest that the overview has indicated an expansion in the scope of Agency's activities during 2003. The Group welcomes this trend and hopes that the expanded scope of activities will be managed by ensuring a balance between the promotional and other statutory activities of the Agency.

The technical cooperation programme of the Agency is of high importance to the membership of the G77 and China. The Group has noted with great concern that the lower availability of TCF resources at the end of 2003 had created problems for the Technical Cooperation programme. The Group would appreciate if the Secretariat appraises the Group how it addressed this problem when the situation improved in the first quarter of 2004. The Group would urge all concerned to ensure that such a stressful situation for the Technical Cooperation does not repeat itself and that sufficient, predictable and assured funds are made available for the unimpeded delivery of the TC projects.

Mr. Chairman,

The Group would like to refer to the Package which was agreed in July last year by the Board of Governors and which represented the manifestation of cooperation and accommodation on the part of G77 and China at the time when the regular budget was under strain. The Group believes that the package provides adequate ground to move forward to address the setbacks being encountered by the TC, given that the important actions have been identified and the time frames agreed for such actions. The Group urges the Secretariat and the IAEA Member States to ensure that the spirit of this agreement is fully honoured while seeking the solutions of various TC related problems. The Group will appreciate if the Secretariat provides briefings on the activities being undertaken by it to improve the management and strengthen the effectiveness of TC and to seek resources to implement footnote a projects as envisaged in the package. Such briefings will provide better understanding on the progress being made by the Secretariat on the aforesaid important issues.

With these remarks Mr. Chairman, the Group of 77 and China is pleased to endorse the recommended action proposed by the Secretariat for the Annual Report for 2003.

I thank you Mr. Chairman.

Agenda Item 4(a): The Technical Co-operation Report for 2003

Mr. Chairman,

On behalf of the Group of 77 and China I would like to express our gratitude to Mrs. Ana María Cetto for her comprehensive introductory statement. We would also like to thank the Secretariat for the preparation of the report in front of us.

The G-77 and China notes with appreciation that besides an increase in major contributors extrabudgetary contributions in 2003, government cost-sharing surpassed expectations, reaching \$4.3 million, in a clear demonstration of Member States' increasing support for projects in their own countries. In Africa alone, government cost-sharing amounted to more than \$1.5 million. In Latin America, substantial government cost-sharing funds were received from many Member States according to the Technical Cooperation Report of 2003. In addition to that, in-kind contributions totaling some \$935 000 were provided by 57 Member States and 5 international organizations in 2003.

As expressed on previous occasions, we note with great concern that the actual resources as of 31 December 2003 were significantly below the expected level and that, as a consequence, an exceptional overprogramming rate of 20% had to be approved by the Board and the TC programme had to be scaled back. The G-77 welcomes the fact that as of 31 March resources had begun to stabilize and that the rate of attainment for 2003 now stands above 86%, demonstrating a joint effort made by the membership of the Agency. We cannot fail to point out, however, that the achieved RoA continues to be below the level set out in resolution GC (44)/RES/8. The Group therefore request Member States, in particular major contributors, to pledge and pay their respective share of TCF targets in full, on time and in a predictable manner.

The Group of 77 and China notes with concern that the current value of footnote-a/ projects amounts to 51% of expected resources for the 2003-2004 technical cooperation programme, well beyond the requirements for overprogramming. While noting the importance of identifying targeted fundraising opportunities at the project formulation stage, the Group is of the view that this procedure should not excessively limit the presentation of projects, and that this process should not be based on strictly financial factors. We believe that the TC programme requires greater resources to achieve its objectives and that more efforts need to be made to raise awareness about the contributions of nuclear technology in the areas of sustainable development, especially in developing countries. The Group looks forward to receiving additional information on how the Secretariat is responding to paragraph 13 of the package approved last year, which states "a more proactive role of the Secretariat is needed to seek resources to implement footnote a projects, starting with projects approved in the 2003-2004 technical co-operation programme".

The Group of 77 and China appreciates that, besides technology transfer, the Technical Cooperation programme is now exploiting the source of knowledge and expertise represented by developing countries, especially those with self-reliant nuclear institutions. As stated in the report, technical cooperation among developing countries (TCDC), which we strongly support, continues to be a key area of emphasis because it strengthens the sustainability of project activities by building self-reliance and mutual interest among Member States. Furthermore, the document indicates an enhancement in TCDC through the recognition of both infrastructure and expertise in the region. While the Group notes that the Report mentioned Latin America as a prime example on how a region uses TCDC, the Group emphasizes the fact that TCDC activities are also successfully promoted and implemented in the other regions. In this regard, the Group requests that future documents present a broader reporting of TCDC activities in all the regions. In addition, the Group requests the Secretariat to make available information on actions taken by the Agency in support of all TCDC activities.

The actions aimed at improving the technical cooperation programme's effectiveness and efficiency are of utmost importance. The G-77 and China wishes to praise the Department of Technical Cooperation for its participation in a number of audits and evaluations during 2003. The Group also requests the Secretariat to implement the recommendations derived from evaluations.

We would like to commend the Secretariat for reviewing the Project Request Form for technical cooperation activities to simplify it and obtain more information from Member States regarding government commitment, institutional frameworks, impact sustainability, and links to national development programmes. In this context, considering that the Secretariat will have at its disposal enhanced tools to register and measure local resources, in kind contributions and financial inputs contributed within "cost sharing" arrangements, the Group requests that the TC Annual Report includes the status of all cash and in kind contributions made by TC recipients, in addition to the Agency's disbursements, towards the implementation of the Agency's TC projects. We consider that this enhances the concrete application of the Central Criterion and share the perception that this will improve programme planning and thus increase the impact of the technical cooperation programme.

The Group of 77 and China notes with interest that the Review of Processes and Assessment of Workload of the Department of Technical Cooperation, as contained in document GOV/INF/2004/5, conducted by the Office of Internal Oversight Services (OIOS), concluded that all posts existing should be retained and that limited additional staff will be needed after the efficiency measures that have been proposed in the review are implemented. However, and in light of the fact that the workload in the TC Department has significantly increased over the past years, the G-77 and China would like to receive additional information from the TC Department on the implementation of the proposed measures and on the resulting need for human and material resources. The Group would like to learn about the TC Department's assessment of the review at hand, of the measures proposed and of how they will affect the provision of technical cooperation, especially to developing countries.

The Group of 77 and China wishes to underline the efforts that the Secretariat made to continue to pursue partnerships with other United Nations and non-governmental organizations during 2003. The Group invites the TC Department to further intensify its efforts related to partnering for greater impact. We would also like to encourage the Agency both to strengthen its role as a partner in the development community that addresses Member States basic human needs and to increase its collaboration on specific Millennium Development Goals where nuclear science and technology can play a significant role.

As a final comment, allow me to emphasize that the obstacles faced by the Agency in the implementation of Technical co-operation projects because of the difficulty and high costs involved in the shipment of radiation sources and the continued problems with travel and visa restrictions imposed by a number of countries have a negative impact on the sustainability of projects that have been implemented and need to be resolved soon.

With these comments, the Group requests the Director General to transmit the Report to the General Conference for information. I thank you, Mr. Chairman.

Agenda Item 4(b): Assessed Programme Costs (APCs)

Mr. Chairman,

First of all I would like to commend the distinguished Permanent Representative of India for the dynamic and wise manner in which he conducted the consultations and that enabled the working Group to reach a consensus on a transitional mechanism for APCs, which will become NPCs.

To achieve such consensus, our Group had to come a long way from a demand of abolition to reinstatement with a prepayment obligation. I would like to recall that during the negotiations process that led to the adoption of a package on the Programme and Budget for 2004-2005, the G77 and China made it clear it had a preference for the abolition of the APCs, as there was no need for any supplementary expression of commitment towards Technical Cooperation in the light of the implementation of the Central Criterion.

In that context, the Group considered that it was even more appropriate to abolish APCs taking into account

measures such as the "due account mechanism" that have introduced a certain degree of obligation to the payment of TCF contributions by developing Member States, which were only encouraged to make symbolic payments at the time of the establishment of APCs, and also in the light of the high and disproportionate increase in the Budget and the de-shielding process which will increase the financial burden of developing Member States.

We would like to underline that APCs or NPCs should not be considered as a funding source for TCF nor a means for ensuring the stability of TC financing; such stability can only be guaranteed through the improvement of payment of contributions to the TCF. The last events showed clearly that there is a possibility for such improvement.

Moreover, the Group would like to highlight that whilst NPCs are mandatory for developing Member States, the payment of TCF shares remains voluntary for developed Member States and no effective mechanism exists to enforce payment by them. This issue should be examined with a view to balancing obligations among all Member States.

Mr. Chairman,

Recognising that NPCs could be an improvement over the present system, we regret that there was no agreement on recognising cost sharing and in kind inputs made by concerned Member States to pay their NPCs, not even at a certain limited proportion or under certain conditions. Furthermore, we don't see any rationale for enlarging the scope of NPCs to include collaborative Regional and Interregional projects, to which participating Member States are making very important financial and non financial contributions.

Underlining that the pre-payment obligation may pose difficulties to some Member States, due to national fiscal year differences, the Group insists on the need for early invoicing and flexibility for agreeing upon feasible payment plans for the first instalment of NPCs in order to start implementing projects, in line with article III.C of the Statute.

Finally, our Group looks forward to the evaluation and assessment that will be made in 2006 and remains open for further dialogue on this transitional mechanism.

Thank you Mr. Chairman

Agenda Item 4(c): Rate of Attainment

Mr. Chairman,

The Group of 77 and China takes note of the report of the Chairman of the Working Group on the TCF led by H.E. Ambassador Pavel Vacek, Resident Representative of the Czech Republic on the Rate of Attainment (RoA). The Group expresses its appreciation of the efforts of the Chairman to find a resolution of this issue.

The Group, however, recalls the General Conference resolution GC(44)/RES/8 which inter-alia, requests the Board of Governors to review the functioning of the Rate of Attainment mechanism in 2003 and if the 90% "Rate of Attainment" was not achieved, to consider increasing the TCF target. To this end, the Group requests that the TCF target be increased. The Group also recalls that the Rate of Attainment Mechanism was the other half of the agreement on the revised de-shielding arrangements for the assessment of the members' contributions towards the safeguards component.

For your information, Mr. Chairman, the Group has submitted a non-paper which is still relevant for consideration by a future deliberation on the Rate of Attainment.

Agenda Item 6: Measures to strengthen international cooperation in nuclear, radiation and transport safety and waste management:

Agenda Item 6 (a): Action Plan on the Decommissioning of Nuclear Facilities

Mr. Chairman,

The Group attaches importance to the issue of decommissioning of nuclear facilities. To gauge the future magnitude of the problem and to assign global priorities to allow proper resource planning a comprehensive worldwide review is necessary. It is important to have a safety requirement document on decommissioning. Safety assessment is an essential tool for ensuring that decommissioning is conducted safely and establishment of a forum for sharing and exchanging of national information and experience would be beneficial to countries engaged in planning and implementing decommissioning projects.

Decommissioning of Research Reactors is an important issue for developing countries due to limitation of resources. For such countries, as recognized at the Berlin Conference, the entombment option would be a safe and economic solution. The Group therefore supports the recommended action to develop international guidance on the Safety conditions which must be complied with for the entombment option for the Research Reactors.

Exchange of information and experience on decommissioning is very important and the Group appreciates the action taken by the Agency in establishing a website devoted to the issue.

With these comments, we recommend the approval of this action plan by the Board.

Thank you Mr. Chairman.

Agenda Item 6 (b): Action Plan for strengthening the international preparedness and response system for nuclear and radiological emergencies

Mr. Chairman,

The Group of 77 and China welcomes the collaborative work that was carried out by the Agency and its Member States, as well as competent authorities of Parties to the Convention on Early Notification of a Nuclear Accident and to the Convention on Assistance in the Case of a Nuclear Accident or Radiological Emergency in order to develop a consistent International Action Plan for Strengthening the International Preparedness and Response System for Nuclear and Radiological Emergencies, as presented in Annex 1 to document GOV/2004/40.

In the light of current additional challenges to the security of nuclear and radiological material, the experience that has been gained in reacting to past emergency situations or during drills and exercises, the feedback received from competent authorities and the evidence of significant weaknesses and gaps in the current arrangements and capabilities to respond in a prompt, co-operative and efficient way to nuclear and radiological emergencies, the Group considers that the three main areas covered by the proposed Action Plan, the activities envisaged and their timing are most pertinent and would like to highlight its interest in participating in the conclusion of the arrangements envisaged under paragraph 14, page 5.

On recommending the Board to approve this Action Plan, the Group encourages Member States to support its implementation and the Secretariat to optimise the use of resources that have been or will be allocated to this effect.

Agenda Item 6 (c): Regulations for the Safe Transport of Radioactive Material

Mr. Chairman,

For the Group of 77 and China, it is fundamental to strengthen the Agency's Transport Regulations in accordance with scientific and technological developments that may impinge on radiological safety and

security. Within this framework the Group acknowledges the intensive efforts deployed by the Secretariat and Member States that nominated attending and corresponding officers to meetings of the IAEA Transport Safety Standards Committee (TRANSSC) during the latest two-year revision process that led to the changes proposed in document GOV/2004/41, which is an important step towards implementing the International Action Plan for the Safety of Transport of Radioactive Material that the Board approved last March.

At the same time, the Group considers that the Agency still needs to deploy further efforts in order to assure the timely translation of the revised or amended regulations into the UN official languages, make them widely known to international modal organizations, national competent authorities and carriers so as to prevent arbitrary denials of transport of certain material and equipment - in particular those that are used for medical and industrial applications. Furthermore, the Group would like to highlight the importance for the Agency to continue providing safety assessment services, training courses including regional training courses and facilitating by other appropriate means the requests of assistance by Member States to put into effect such regulations, as mandated by the Statute of the Agency.

With these comments, the Group would like to recommend that the Board approves the proposed changes and their incorporation into the 2003 amended edition of the IAEA Transport Regulations.

Item 7: Programme of Action for Cancer Therapy

Mr. Chairman,

The G77 and China wishes to thank the Director-General for presenting the document GOV/2004/39 containing the "Programme of Action for Cancer Therapy - PACT". The Group examined its content with attention and would like to welcome this valuable initiative which has been presented for the first time by the Agency.

There is no doubt that Cancer is a growing silent crisis, especially in the developing world where almost 5 million people contract this disease each year, and 3million of them are in need of radiotherapy treatment. The available technology, know how and material covers only a fraction of the needed radiation treatments facilities.

The Group does highly value the elements and ideas contained in the document and the annexed proposal to launch PACT, especially that the proposal encompasses a ten-year vision dealing with this issue with a broad perspective, bearing in mind that the Agency is the only UN organization promoting Radiotherapy within the context of cancer control. Other important aspects like prevention and early diagnosis are the tasks of WHO and its regional offices. PACT therefore compliments the international efforts for cancer prevention and control.

The Group wishes to convey its full support to the Secretariat for the implementation of this initiative in synergy with other organizations and partners, and would encourage it to pursue expanding & multiplying contacts with non-traditional donors to acquire the necessary resources meeting the needs of PACT with a view to its implementation in the best possible conditions.

Thank you Mr. Chairman.