



STATEMENT OF THE G-77 AND CHINA AT THE IAEA BOARD OF GOVERNORS - 18 MARCH 2002 DELIVERED BY H.E. AMBASSADOR VICTOR G. GARCIA III, PERMANENT REPRESENTATIVE OF THE PHILIPPINES

**Agenda item 3: Protection against nuclear terrorism (GOV/2002/10)**

Mr. Chairman,

The G-77 and China takes note of document GOV/2002/10, which contains a report on the Agency's current work and suggested activities to prevent and mitigate possible acts of nuclear terrorism. Recognizing the importance of such work, the Group would like to express its continued determination to cooperate with the IAEA and the world community in their efforts to adopt effective measures for protection against any threat of nuclear terrorism.

2. Having said that, the Group is glad to note that there is general agreement on the need to analyse the new proposed activities in depth. In the Group's view, the additional proposed activities should follow a strong rationale that confirms their relevance, and entail practical and cost-effective proposals. They should be acceptable to Member States in terms of their national policies, technical potential and availability of financial resources.

3. The G-77 and China further stresses the importance of the principle that the primary responsibility for the security and safety of nuclear and other radioactive materials rests entirely on the Member States themselves. Thus, the role of the Agency in these areas should be to provide assistance to Member States upon their request.

4. In this respect, the G-77 and China is convinced that if the proposed new activities are to enjoy the maximum endorsement by a wide range of Member States, it is essential that due care is given to the preservation of the sovereignty of Member States. The Group thus strongly suggests that the Agency implements the additional approved activities taking into consideration the confidentiality of the information relevant for security purposes.

5. The G-77 and China also considers essential the understanding contained in paragraph 4 of document GOV/2002/10 to the effect that the proposed activities for protection against nuclear terrorism should not interfere with the established priorities of the Technical Cooperation Program. In line with the principles established in INFCIRC/267, such priorities are to be defined by recipient Member States according to their national interests and socio-economic development plans.

6. On the financing of the proposed activities, the Group reiterates its view that it should be voluntary and extra-budgetary. In this context, the Group believes that the proposals contained in document GOV/2002/10 deserve careful analysis, in view of the need to maintain an adequate balance among the promotional and other statutory activities of the Agency.

7. Moreover, given the financial constraints currently faced by the Agency, the Group feels the need of a very careful selection of the activities, their priorities, practicalities and resource allocation. The Group is of the opinion that more emphasis is required on sharing the responsibilities by the Member States themselves. Thus, self-assessment by the Member States of their capabilities and measures needed to face the threat would be extremely helpful. In case the Member States feel they need the Agency's help as a result of the self-assessment, they can request such assistance. The Group is confident that most Member States do have the capability to undertake the self-assessment exercises and institute the remedial measures.

Mr. Chairman,

8. Having carefully considered the additional proposed activities, the Group believes that it is still possible to consolidate the activities, so as to avoid certain duplications, which appear to have similarities and also to re-examine the activities that require considerable financial resources while having a limited potential for desired outcomes. The Group also stresses that some priorities need to be readjusted. Maximum emphasis is required on training activities, transfer of knowledge and technology and enhancing the emergency preparedness capabilities of Member States. The Group feels that advisory missions, development of new

and exhaustive manuals and similar activities should have lower rankings in the proposals.

Mr. Chairman,

9. The Group is deeply concerned about the high level of proposed funding without identifying a well-justified mechanism to implement the additional proposed activities. The G-77 and China would like to receive information about the different options for an administrative structure for the implementation of the additional approved activities. It is also worthy to note that the integration of these activities with any other key activities will be counterproductive. It may be helpful to reiterate the fact that the Agency should implement all its activities in an equal and balanced manner, in line with its Statute. At the same time, the Group stresses that any financial modalities to implement those activities should in no manner affect the financing of any other programs of the Agency, particularly the Technical Cooperation Program, which is of primary importance to developing countries. The Group would also like to receive information on the modalities of the proposed expenditures, which are still unknown. A particular point of consideration in this regard is the heavy component of equipment upgrades and procurement. In this connection the Group requests the Agency to elaborate the performance indicators, evaluation reports on a regular basis in order that Member States are able to assess progress in the implementation of the approved activities. This can be a useful guidance for Member States to determine the Agency's future funding estimates.

10. Finally, Mr. Chairman, the Group would like to be kept informed on the findings and recommendations reached by the recently constituted Advisory Group on Nuclear Security (AdSec) by the DG to impart large benefits to the Member States. Thank you.

## **Agenda item 5: Measures to strengthen international cooperation in nuclear, radiation, transport and waste safety**

### **5.a. Nuclear Safety Review for the year 2001 (GOV/2002/4)**

Mr. Chairman,

The G-77 and China recognizes the continuing efforts by the Secretariat to establish appropriate safety standards, to improve the security of radiation sources and to promote a global safety culture. It reiterates its support for the expansion of Model Projects for upgrading radiation protection infrastructure.

2. In line with the Group's interest in education and training as tools to support sustainable development, the Group requests the agency to provide long-term commitments and to continue to support the long-term training courses in radiation protection conducted in its Member States, such as Argentina, India, Malaysia, Morocco, South Africa and Syria leading to post graduate diplomas as contained in document GC.Res.45/10c.

3. The Group welcomes the convening of a conference on Safety Culture in Nuclear Installations, to be held in Brazil in December 2002, which will provide operators and regulators from Member States with a useful opportunity to exchange experiences in that important field.

4. In relation to the safe transport of radioactive materials, the Group shares the international concern on the risks for human health and the ecosystems of transit States associated with international maritime transport of radioactive materials.

5. There are still many issues to be clarified by the international community regarding the safe transport of radioactive materials, such as the possible definition of applicable liability mechanisms in case of accidents that could affect human health and the environment and produce economic loss. In this context the Group welcomes the convening of an International Conference on the Safety of Transport of Radioactive Material in 2003, which we expect will cover all issues related to radioactive material transport safety.

6. The Group strongly supports international efforts to improve the safety regulations of transport of radioactive material and to promote adherence to IAEA regulations as a fundamental means of reducing the risks of accidents and their consequences to human health and the environment of transit States.

7. The Group would also like to highlight its interest in the measures that will be suggested to overcome the challenge of integrating the safety standards with the application mechanisms, namely assistance, advice and appraisal services, education and training, information exchange, research and development facilities and sharing of knowledge and experience in all areas related to the Agency's safety standards and guides.

### **5.b. The Agency's Safety Standards: Preparedness and Response for a Nuclear or Radiological Emergency - draft Safety Requirements (GOV/2002/5)**

Mr. Chairman,

1. The G-77 and China recognizes the importance of good coordination and appropriate integration of arrangements to respond effectively to nuclear and radiological emergencies and therefore welcomes document GOV/2002/5 and its annex.
2. In this respect the Group believes that the cooperation between the Agency and the international modal transport organizations should be enhanced, so as to promote compliance with these safety requirements and its corresponding future safety guides amongst modal transport operators.
3. In addition, the G-77 and China regrets the limited participation of experts from developing countries in the Committees and in the Commission in charge of reviewing and endorsing the Agency's safety standards. This handicap could be alleviated if the Agency allocates more resources to secure funding to finance the attendance of a more equitable number of experts from such countries.

### **5.c. Encouraging Member States to strengthen their emergency response capabilities and enhancing the capabilities of the Agency's Emergency Response Centre (GOV/2002/6)**

Mr. Chairman,

- The Group of 77 and China would like to thank the Secretariat for the preparation of document GOV/2002/6 and encourages the Secretariat to continue assisting Member States to strengthen their response capabilities to nuclear and radiological emergencies and well as fostering more Member States to adhere 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.
2. The G-77 and China would also like to appeal to Member States which are in a position to do so to contribute to the extra-budgetary projects suggested to upgrade the Emergency Response Center (ERC) and its web page as well as to support the Emergency Response Network (ERNET) related activities. However, in view of the importance of the statutory functions exercised by the ERC and given the growing dependence within the Agency on extra-budgetary funds, the Group requests the Secretariat to make further efforts to identify funding resources from the regular budget to finance the upgrading of the ERC.
  3. With these remarks the G-77 and China approves the actions suggested in paragraph 25 of document GOV/2002/6.

### **Agenda item 6: Strengthening the Agency's activities related to nuclear science, technology and applications - Nuclear Technology Review 2002 (GOV/2002/7)**

Mr. Chairman,

1. The G-77 and China is highly appreciative of document GOV/2002/7, which contains the Nuclear Technology Review 2002 and presents a fair picture of nuclear technology. The new look at nuclear technology from the point of view of innovation is a welcome approach that helps broaden the vision of planners and decision-makers.
2. In Part II, Nuclear Power, Fuel cycle, and Waste Management, there is up-to-date information on the status of nuclear power development in the world. Part II has comprehensively covered all general topics relating to the global nuclear energy scene and can therefore be considered as a very useful source of information. However, the coverage of the relationship between the international nuclear status and the Agency's activities could be further improved by resorting to more data and information.
3. The information compiled in Part II gives hope to those developing Member States which are convinced that nuclear power has an important role to play in the energy mix for their future economic planning. In this sense, it is encouraging to note that the new energy policies in some of the countries with large nuclear programs are more supportive of nuclear power. Similarly, it is heartening to note that policy reviews in the European Union could prove more open to nuclear power. Such a positive and open outlook towards nuclear power is very helpful to many developing countries that need more electricity for the expansion of their economies.
4. Bearing in mind progress achieved in addressing nuclear waste management issues, the Agency should

intensify its efforts to convince the world community of the role played by nuclear power in sustainable development, particularly the contribution of nuclear sciences and technologies to the progress of Agenda 21. In this sense, the Group strongly believes that the Agency should continue to play a proactive role in the major international events connected with the climate change debate considering the role of nuclear power in the reduction of green-gas emissions. With the rate of economic growth exceeding the rate of electricity offer globally, nuclear generation will remain an important component of the base load supply power.

5. Moreover, the Group believes that nuclear energy has two contributions to make to global efforts to expand freshwater resources. First, there are the applications of isotopes in hydrology, using the naturally imparted 'isotopic fingerprints' of water to rapidly provide hydrological information for large areas. Second, for many developing countries there is also the potential of nuclear-powered desalination of seawater. Scientific research has made significant progress in both areas. The Group thus calls upon the Secretariat to continue its efforts in assisting Member States to make use of this progress in order to prepare adequate answers to the growing scarcity of freshwater in the world, particularly in developing countries.

Mr. Chairman,

6. The Nuclear Technology Review has highlighted the following important facts: - at the end of 2001 there were 440 nuclear power plants in operation in the world corresponding to a total capacity of 353 GW(e), about 16% of global electricity generation; - only two new NPPs have been connected to the grid in 2001; - life extension of operating nuclear power reactors in some countries like the USA and Canada has been implemented; - most new NPP constructions has taken place in Asia; - it seems likely that nuclear energy shall make an important long-term contribution to the supply of electricity worldwide.

7. All in all, long-term energy scenarios (up to 2100) are generally more sanguine about nuclear power. However, given the public concerns about safety and waste, the Group therefore attaches great importance to Agency's public information programme addressing those concerns about safety, waste management and proliferation.

8. In relation to Part IV.2 of NTR, the Group emphasises that the issue of landmines is of great importance for some developing countries which are plagued by landmines left over from armed conflicts. In this connection the Group would appreciate to receive more information on the new techniques currently being developed by the Agency.

9. In the same vein, technological innovation will also be an important solution and it is expected that the Agency, as the sole global intergovernmental organization for the promotion of the peaceful uses of nuclear energy coordinate all relevant activities for developing more cost-effective and safer nuclear power plants. Hence, the Group endorses the Agency's efforts to launch the IAEA's International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO). During the first year of the implementation of the project, it has elicited interest among Member States for development of innovative, cost effective, proliferation and sabotage resistant and environmentally friendly nuclear power technologies. This will encourage more developing countries to join the project. Moreover, innovative developments in design on the small and medium size reactors make them an attractive proposition for developing countries.

10. Since the Chernobyl accident, fortunately, the safety record of nuclear power plants has to a large extent been quite satisfactory, thanks to the ongoing technical discussion of the issue.

11. In the same vein, the Group requests the Agency to increase collaboration with other international mechanisms, including the WANO, to facilitate the comprehensive exchange on operational safety experience.

12. With these comments the G-77 and China takes note of the draft Nuclear Technology Review 2002 and reiterates its support to the Secretariat in its continuing efforts to assist Member States in all aspects of nuclear technology, including power generation.

### **Agenda item 8: Planning for the Programme and Budget for 2004-2005 (GOV/2002/3)**

Mr. Chairman,

1. The Group of 77 and China thanks the Secretariat for the preparation of document GOV/2002/3 on Planning for the Program and Budget for 2004-2005, which presents a revised version of the initial document. The Group appreciates the fact that the revised document takes into account several of its comments. The Group would also like to recall its position as stated in the letter sent to Mr. D. Waller on

31/1/2002.

2. Document GOV/2002/3 reflects a relevant effort by the Secretariat to define the work of the Agency in line with the results-based approach and the objectives included in the Medium-Term Strategy for 2001-2005, besides some new issues that have recently raised the interest of Member States. In this context, the Group reaffirms its view that programs should be crafted in response to real needs of Member States, especially the developing countries, and conducted in pursuit of specific results, in line with the objective of promoting socio-economic development in Member States.

3. The Group recalls that the projects and activities to be undertaken by the Technical Cooperation Program should respond to the interests and needs of recipient Member States, in line with the principles for implementation of Technical Cooperation established in the Statute and in INFCIRC/267.

4. In relation to the performance indicators in general, the Group notes with appreciation that their definition has been improved, with a better combination of qualitative and quantitative criteria. In this connection, the Group believes that improvement of the definition of performance indicators should be a continuous process to achieve greater precision and efficacy, guided by the objectives and by the evolution of major programs, programs and activities. One general criterion that should be considered in this process is the socio-economic impact of activities and projects upon end-users.

5. In connection to paragraphs 9-11, on the cross-cutting areas, the Group would like to reaffirm the importance it attaches to the coordination and synergy that can be achieved among the different Departments of the Secretariat. The Group would like to have more information on the ideas and suggestions by the Secretariat on the establishment of an appropriate mechanism for the coordination of the cross-cutting areas already identified as well as other that may be identified at a later stage.

6. The Group also reaffirms the importance it attaches to any measures or mechanisms that are made available in order to increase Member States' participation not only in the formulation, but also in the implementation, monitoring and evaluation of the Agency's programs. In this context, transparency between the Secretariat and Member States is a goal to be continually pursued.

7. In relation to the financial aspects of document GOV/2002/3, the Group notes with concern that: a) the projected total volume of the so-called Core Activities Unfunded in the Regular Budget (CAURBs) remains extremely high, as illustrated in table 2, page 27; b) the bulk of the CAURBs is concentrated in one major area, which does not seem to contribute to the desirable balance between promotional and verification activities of the Agency; c) a growing dependence on extra-budgetary resources, which are neither predictable nor assured, associated to the fact that the Agency does not have the final say in the channeling and utilization of these resources. Mr. Chairman, Having made these general considerations, the Group would like to present specific comments on major programs.

8. The Group of 77 and China attaches great importance to the Major Program 1 Nuclear Power, Fuel Cycle and Nuclear Science, and appreciates the Agency's intention to continue to work with the Member States on the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO). The Group feels that in the next program and budget cycle for 2004 - 2005 this activity could be considered for funding under the regular budget, without prejudice to the ZRG criterion.

9. For the Major Program 2 Nuclear Techniques for Development and Environmental Protection, the Group believes that very important areas, namely food security, industrial applications including radiation processing, and dam safety have not been adequately addressed in the Program, and therefore requests the Secretariat to elaborate on these areas.

Mr. Chairman,

10. With regard to Major Program 3 Nuclear Safety and Protection Against Radiation, the Group stresses that safety does not rely only on good safety standards and technologies but also on good regulatory practices and well-qualified personnel. With that in mind, the Group emphasises that sufficient funding should be allocated for the provision of adequate training of regulators and operators, as well as guidance and support for the application of standards and safety review services.

11. The Group strongly believes that the issue of safety should be considered in an integrated manner, so as to include nuclear installation safety, radiation safety, transport safety and waste disposal safety. The Group reiterates the great importance of the training activities undertaken by the Agency and welcomes the idea to establish a long-term strategy for fostering a sustainable program of education and training in the area of radiation and waste safety, including through the TCDC mechanism. The Group would appreciate receiving

more information on that matter, as referred to in paragraph 59.

12. Concerning Major Program 4 Nuclear Verification and Security of Materials, the Group reiterates the need to maintain a balance between promotional and verification activities in the Agency.

13. In view of the continued pressure on the Agency's budget, which concentrates in Major Program 4 - as the projected CAURB figures on table 2 on page 27 clearly indicate - the Group reaffirms its request that further streamlining and possible savings be sought in the area of safeguards implementation, having in mind its cost-efficiency and the need to maintain a balance between promotional and verification activities in the Agency. In this respect the Group emphasizes that in case reprioritization of activities becomes necessary, top priority should be given to safeguards agreements implemented as a requirement of the NPT.

14. As concerns paragraph 77, on a new information system in the area of verification, the Group believes that any new measures should continue to take into account the maintenance of an adequate level of confidentiality of safeguards-related data. In this respect the Group welcomes document GOV/INF/2002/1, which contains a progress report on the Agency's Regime for the Protection of Safeguards Confidential Information.

15. In connection with the so-called Trilateral Initiative, the Group is glad to note that the revised paragraph 87 reflects the understanding that the proposed activities are subject to the approval of the Board of Governors and will be funded through extra-budgetary contributions.

Mr. Chairman,

16. In relation to Major Program 5 Information Support Services, the Group welcomes the establishment of a distinct Division of Information Technology since the first of September of 2001, as it is convinced of the importance of information dissemination to all Agency customers, as well as the general public.

Nevertheless, the Group recalls its proposal that the Division of Information Technology should be financed within available resources and not require any additional financial resources for the 2004 - 2005.

17. In connection with Major Program 6 Management of Technical Cooperation for Development, the Group affirms its view that if the record high implementation rate achieved so far is to be continuously sustained, it is necessary to employ the necessary human resources to further strengthen the impact of the TCP and to ensure its relevance, transparency, effectiveness and efficiency.

18. The Group also notes with satisfaction that due priority has been attributed to the activities that promote sustainable socio-economic development and poverty reduction in Member States, as reflected in paragraph 98.

19. Finally, the G-77 and China continuously encourages the Secretariat to be innovative and also explore other sources of financing to resolve the human resource concern in the TC Department.

Thank you, Mr. Chairman.