



STATEMENT BY THE GROUP OF 77 AND CHINA DURING THE BOARD OF GOVERNORS OF THE IAEA STARTING ON 2 JUNE 2014, DELIVERED BY THE CHAIRMAN OF THE GROUP OF 77, H.E. AMBASSADOR ALIYAR LEBBE ABDUL AZEEZ, PERMANENT REPRESENTATIVE OF SRI LANKA

Agenda Item 3: The Annual Report for 2013

Mr. Chairman,

1. On behalf of the Group of 77 and China, I would like to thank the Director General for his introductory statement and the Secretariat for preparing the draft of the Annual Report for 2013 as contained in document GOV/2014/20.

2. The Group notes that nuclear power remains an important option not only for countries with existing nuclear programs, but also for developing countries with growing energy needs. In this regard, we note with interest that the International Ministerial Conference on Nuclear Power in the 21st Century, held in St. Petersburg in June 2013, concluded that for many countries nuclear power remains an important option to improve energy security, provide energy for sustainable development and fight climate change.

3. The Group encourages the Agency to continue providing the necessary support to Member States interested in launching and expanding their nuclear power programmes, taking note with satisfaction of the guidance provided by the Agency in its support to existing nuclear power programmes as well as of its facilitating role in the sharing of knowledge among interested countries, and encourages the Secretariat to continue pursuing activities in this field.

Nuclear Technology

4. The Group welcomes the work of the Agency in the applications of nuclear technologies and, specifically, the assistance provided to Member States in this regard. Nuclear technologies and applications make an important contribution to sustainable development and, therefore, the Group welcomes the fact that in 2013 the Agency continued to assist Member States, based on their national priority needs. The Group, therefore, encourages the Agency to continue helping Member States to build, strengthen and maintain capacities in the safe, peaceful and secure use of nuclear technology, as well as to keep providing assistance to interested Member States in the buildup of their capacities for national energy assessments and planning through technical assistance, review services, training, capacity building and knowledge networks.

5. The Group underlines the need to increase the transfer of nuclear technology to and the sharing of nuclear knowledge with developing countries, to enhance their capabilities. In this regard, preservation and management of nuclear knowledge continues to be a high priority for many Member States. In this regard, the Group is pleased to note that the Agency conducted knowledge management assist visits and workshops during the period under review, to G-77 countries. The Group also welcomes the continued support by the Agency of activities of and collaboration among regional nuclear education networks. In this regard, the Group welcomes the work conducted in 2013 with regional networks in Asia, Africa and Latin America for Education. The Group encourages the Secretariat to continue to provide its assistance to interested Member States in capacity building and nuclear knowledge management.

6. On the collection and dissemination of information, the Group acknowledges the International Nuclear Information System (INIS) as a key provider of knowledge on the peaceful uses of nuclear science and technology, and welcomes the assistance and on the job training provided by the Agency to a number of

national INIS centres during the reporting period. The Group encourages the Agency to continue providing assistance and on the job training to national INIS centres as well as perfecting the capabilities and maximizing the potential of INIS.

7. The Group encourages the Agency to continue to provide support to Member States, in particular to developing countries, in the enhancement of the skills of the human resources involved in their nuclear programmes.

8. The Group attaches high importance to the International Project on Innovative Nuclear Reactors and Fuel Cycles (INPRO), as a relevant forum gathering technology holders and users with the aim of achieving innovations in nuclear reactors and fuel cycles. The Group welcomes the growing interest of Member States in INPRO, and welcomes the accession of Kenya in 2013.

9. The Group reiterates its concern over the fact that INPRO relies mainly on extra-budgetary contributions from its members. We believe that support to the activities of INPRO from the Regular Budget should be increased.

10. The Group also values the support of the Agency to interested Member States for an integrated use of assistance in building national capacities in energy analysis and planning; Integrated Nuclear Infrastructure Review (INIR) missions, and national Nuclear Energy System Assessments (NESAs) for the development of long term strategies for nuclear energy deployment using the INPRO methodology.

11. The Group notes with appreciation the meetings and training courses organized by the Secretariat during the reporting period, in the identification and extraction of uranium resources, and in the assessment of the availability of unconventional uranium resources. The Group encourages the Agency to continue on this path, and requests the Secretariat to continue to promote the participation of experts from developing countries in future activities organized to this end.

12. The Group notes the growing interest in Small and Medium-Sized Reactors (SMRs), and their potential benefit as a source of power generation, especially for Member States having relatively isolated communities or otherwise limited electrical grids; as well as their successful use in seawater desalination and their overall cost-effectiveness, as demonstrated through various projects in some Member States. The Group notes with appreciation that during 2013 the Agency addressed licensing and safety issues of SMRs.

Mr. Chairman,

13. The Group attaches great importance to the IAEA's activities in the field of energy-economy-environment (3E) analysis. The Group welcomes the support provided by the Agency to Member States in enhancing their understanding of the financing of nuclear power projects, and views with interest the commencement of work by the Agency in 2013, in developing a set of analytical tools for assessing the social and economic impacts of nuclear energy programmes, including key economic implications of building and operating nuclear power plants.

14. The Group welcomes elaboration in the document under review, on the various activities carried out by the Agency in the field of atomic and nuclear data; research reactors and accelerators for materials science and analytical applications. The Group hereby reiterates its full support for the activities of the Agency in the realm of nuclear science, and urges the Secretariat to enhance its efforts in terms of the assistance provided to Member State to increase their capabilities in the development and application of nuclear science as a tool for their technological and economic development. The Group attaches the utmost importance to the attainment of this objective, which is enshrined in Article III.A.1 of the IAEA Statute.

15. The Group recognizes that radioisotope products are essential for nuclear applications and therefore appreciates the Agency's activities in this field which focus on promoting innovation in Member States. In

light of the importance of this field of activity, the Group urges the Secretariat to enhance its efforts to strengthen national capabilities for radioisotope production and for the use of radiation technology; and to effectively contribute to improved health care and safe and clean industrial development in Member States.

16. In this context, the Group welcomes the activities carried out by the Agency in radioisotopes and radiation technology and, more specifically, its research on alternative technologies to produce the medical isotope molybdenum-99. In this regard, we are pleased to note that the use of cyclotrons for producing medical isotopes, especially technetium-99m, is being explored as part of a coordinated research project. We encourage the Agency to keep pursuing this type of activities, with a view to averting future recurrence of molybdenum-99 shortages. In this context, the Group also welcomes the fact finding missions conducted by the Agency to developing countries in 2013 to assess infrastructure and define production requirements to supply national demand.

17. The Group attaches great importance to the various activities in the application of nuclear and isotopic techniques in the fields of food and agriculture, human health, management of water resources, environment, industry, as well as in radioisotope and radiation technology.

Mr. Chairman,

18. As regards Food and Agriculture, the Group commends the work that the Agency has been conducting over the years in partnership with the Food and Agriculture Organization, through the Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture. In particular, the Group welcomes the work done in 2013 in the areas of sustainable management of major insect pests; crop improvement through mutation breeding; soil and water management and crop nutrition; animal production and health; and food and environmental protection. We urge the Secretariat to maximize its efforts with a view to enhancing the capabilities of Member States in the application of nuclear techniques for sustainable agricultural development, with due focus placed on developing countries. In this regard, the Group encourages further expansion of these techniques to help attain essential objectives such as the eradication of animal diseases and increased yields in food production.

19. In the field of human health, the Group welcomes the introduction by the Agency of innovative approaches such as those supporting nuclear and diagnostic imaging professionals through the use of information and communication technology. The Group welcomes, in particular, efforts in terms of capacity building such as those involving the use of the so called “webinars”, interactive on-line modules, and on-line distance assisted training in the use and applications of new technologies.

20. As far as cancer therapy is concerned, the Group urges the Agency to continue building capacities in developing countries, including those that still have no access to radiation medicine techniques and radiotherapy. The Group highly commends the continued efforts to strengthen collaboration of the Agency with leading cancer organizations through the WHO/IAEA Joint Programme on Cancer Control under the Programme of Action for Cancer Therapy (PACT). The Group encourages the Agency to continue addressing Member State requirements for comprehensive cancer control capacity and needs through the integrated missions of PACT (imPACT), and to foster more regional PACT programmes.

21. In relation to the integration of PACT into the Technical Cooperation Programme, the Group looks forward to the Division of PACT retaining and capacities and mechanisms to facilitate and support cancer control-related resource mobilization, its existing competence and its access to relevant technical expertise required to optimize the Agency’s efforts in cancer control, in accordance with the Resolution on Strengthening the Agency's activities related to nuclear science, technology and applications, adopted by the General Conference at its Fifty-Seventh Session (GC(57/RES.12).

22. The Group recognizes the unique role that the Agency plays in enhancing the capabilities of Member States in managing the marine and terrestrial environmental pollutants using nuclear techniques and by

providing reference materials to Member States to improve quality, accreditation and measurement procedures for the analysis of environmental samples. In this context, the Group takes note of the work of the Agency to assist regional laboratories to improve quality assurance and management of laboratories in Member States, and of the ongoing work with Japan to monitor the environmental impact of radioactive discharges from the affected reactors at the Fukushima Daiichi nuclear power plant. The Group attaches high importance to understanding environmental processes and identifying problems caused by radioactive and non-radioactive pollutants and climate change through the use of nuclear techniques and isotopes. The Group urges the Secretariat to pursue the efforts to this end with a perspective of the larger benefit of Member States. The Group notes with appreciation the periodic visits arranged by the Agency to the Environment Laboratories in Monaco.

Nuclear Safety and Security

Mr. Chairman,

23. The Group reiterates its appreciation for the Agency's continuing efforts to promote nuclear safety worldwide and welcomes the diverse Agency activities undertaken in 2013 in this area. While recognizing that the primary responsibility for nuclear safety rests with the States, the Group believes that the Agency plays an important role in this field as provided for in Article III of the Statute. The Group remains of the view that nuclear safety and nuclear security considerations should not be used to hamper the utilization of nuclear technology for peaceful purposes.

24. The Group takes note of the Agency's continued efforts in improving emergency preparedness and response (EPR) arrangements and capabilities in Member States and, in the context of the development of comprehensive international standards, guidance and tools, it is pleased to note the publication of the Actions to Protect the Public in an Emergency due to Severe Conditions at a Light Water Reactor (EPR-NPP Public Protective Actions 2013), part of the Agency's Emergency Preparedness and Response series. The Group also takes note of the publication by the Agency of the IAEA Report on Preparedness and Response for a Nuclear or Radiological Emergency in the Light of the Accident at the Fukushima Daiichi Nuclear Power Plant. 25. The Group encourages the Agency, in coordination with interested Member States, to enhance the use and effectiveness of RANET. The Group also appreciates the strengthening of national emergency preparedness and response capacities through training events and exercises, and carrying out Incident and Emergency Centre (IEC) activities. The Group encourages the Secretariat to strengthen, as appropriate, its coordination with other international organizations in the domain of emergency preparedness and response to improve interoperability and consistency in responding to nuclear accidents and radiological emergency.

26. The Group appreciates, in particular, assistance to developing countries embarking on nuclear power programmes and encourages the Agency to continue its efforts in developing and strengthening the nuclear safety infrastructure needed to develop nuclear power as part of their national energy mix.

27. The Group welcomes the fourth ConvEx-3 International Emergency Response Exercise which was conducted in 2013, and welcomes the information provided by the Secretariat in the report contained in document GOV/INF/2014/7.

Mr. Chairman,

28. The Group also welcomes the information provided in the report under the sections pertaining to Nuclear Safety Installations, and Radiation and Transport Safety. The Group takes note of the work conducted by the Agency in this regard, and supports the continued efforts carried out by Member States, nationally and also with the support of the Agency, to strengthen nuclear safety.

29. The Group of 77 reiterates its position that nuclear safety and nuclear security should not be used as a

condition or pre-requisite for deciding on technical cooperation projects. In general, the Group encourages the Secretariat to continue the practice of getting constant feedback from Member States in the process of formulating tools and guidelines to assist them in the assessment of their national regulatory infrastructure.

Technical Cooperation

Mr. Chairman,

30. With regard to the section of the 2013 Annual Report on Technical Cooperation, the Group of 77 and China reiterates its call for the strengthening of the promotional activities of the Agency, including technical cooperation through the provision of adequate resources, so as to properly respond to the growing needs of Member States and to enhance the use of nuclear technology for sustainable development and social and economic benefits in Member States. The Group will provide detailed comments on this topic in its statement under agenda item 4, on the Technical Cooperation Report for 2013.

IAEA LEU Bank

31. Last, but not least, Mr. Chairman, the Group of 77 and China would like to bring to the attention of the Board that, according to paragraph 14 of the Annual Report, during the reporting period the Secretariat continued to make progress in the establishment of the LEU Bank. The Group notes that the Board approved the establishment of the Bank three-and-a-half years ago, in December 2010, and that funds totaling approximately USD 124.7 million and EUR 25 million have been pledged to this end. The Group further notes that the report of the Director General on the subject, contained in document GOV/INF/2014/12, states that, as of May 8th 2014, the expenditure on the project, as recorded in the Agency's financial system, was approximately EUR 3.7 million. In spite of this, it can be concluded from the said Report and from the briefing offered to Member States on May 26th that the prospects for the establishment of the LEU Bank still remain uncertain.

32. Therefore, the Group requests the Secretariat to keep Member States apprised of the outcome as well as of the proposed way forward following the completion of the relevant safety assessments of the IAEA LEU Bank site at the Ulba Metallurgical Plant. In a larger context, the Group further requests the Secretariat to provide more comprehensive information on the actual prospects for the establishment of the Bank.

33. With these comments, the Group takes note of the Agency's Annual Report for 2013 contained in document GOV/2014/20.

Thank you, Mr. Chairman.

Agenda Item 4: Strengthening of the Agency's Technical Cooperation Activities-Technical Cooperation Report for 2013

Mr. Chairman,

1. The Group of 77 and China wishes to thank the Deputy Director General and Head of the Department of Technical Cooperation, Mr. Kwaku Aning, for his introductory remarks under this agenda item. The Group also thanks the Technical Cooperation Department for preparing the Technical Cooperation Report for 2013 and its Supplement, both contained in document GOV/2014/21 and for the briefing provided to delegations on the 23rd of May.

2. The Group highlights the paramount importance of the Technical Cooperation Programme (TCP) in the promotion and transfer of nuclear technology for sustainable socioeconomic progress in developing countries, which is a key function of the Agency, as provided for in its Statute.

3. The Group reiterates that the Technical Cooperation Programme is a shared responsibility and that its

success depends on the combined efforts of the Department of Technical Cooperation, other relevant departments and Member States. These efforts are crucial for the planning and successful implementation of the Programme, which should be based on the needs, evolving priorities and ownership of Member States implementing TC projects. The Group would like to reiterate that any changes to the established TC programmatic approach by the Secretariat should be considered in close consultation with Member States and, in particular, with this Group.

4. The Group takes note of the efforts undertaken by the Secretariat in 2013 with the purpose of enhancing transparency and efficiency in the delivery of TC projects. In this context, the Group reiterates that the present guidelines and criteria as contained in INFCIRC/267 for the screening of TC project proposals, programme implementation and subsequent evaluation are sufficient and effective. A.

5. The Group notes that the rate of attainment on payments to the TCF in 2013 has been of 91.9%. This reflects a slight improvement with respect to the rate of attainment of 88.3% in 2012. The Group calls on all Member States to pay their contributions in accordance with the indicative scale of assessment in full and in a timely manner. The Group also requests the Secretariat to work closely with Member States to improve the rate of attainment on payments to the Technical Cooperation Fund, including through the Due Account Mechanism.

6. Furthermore, the Group notes with concern that despite the high proportion of developing countries that are recipients of technical cooperation from the Agency, the resources of the Technical Cooperation Fund, both financial and human, have remained stagnant over the years. This situation becomes all the more striking when comparing the TCF to the availability of increased funds to non-promotional activities of the Agency.

7. In this context, the Group remains concerned that the resources available to the Technical Cooperation Programme are still not sufficient, assured and predictable (SAP) to meet the objectives mandated in Article II of the Statute, as called for by the General Conference year after year in its resolutions on technical cooperation. The Group also calls for sufficient human resources and adequate funding assigned to Major Programme 6 in the Regular Budget, in order to facilitate a successful delivery of the Technical Cooperation programme.

8. The Group is pleased to note that in the framework of the Working Group on financing the Agency's activities, including ways and means to render the resources for the Technical Cooperation Fund sufficient, assured and predictable, Member States have drawn attention to the need to implement mechanisms allowing the Secretariat to make full use of public-private partnerships for additional resource mobilization, as is the case throughout the UN Common System. At this stage, the Group notes that, as stated in paragraph 9 of the Technical Cooperation Report under review, many of the Country Programme Frameworks (CPFs) approved in 2013 already included strategies for public-private partnerships.

Mr. Chairman,

9. The Group calls on the Agency to address long-standing obstacles such as delays and denials of equipment, as well as travel and visa restrictions imposed by a number of Member States, which negatively impacts programme delivery.

10. The Group welcomes the success of the Technical Cooperation activities in the different regions, and commends the Secretariat for its support and assistance to Member States. In particular, the Group takes note with appreciation of the Technical Cooperation projects aimed at developing human resources and building capacities, as well as the efforts undertaken to integrate the UN Millennium Development Goal targets and plans within the 2016-2017 Technical Cooperation Programme.

11. The Group notes with appreciation the efforts made by the Agency in 2013 to help Member States

develop their national and regional programmes for the 2014-2015 cycle and the extensive consultative processes which enabled 13 countries to sign their Country Programme Framework (CPF) in 2013.

12. The Group considers the Country Programme Framework to be a useful programming tool to enhance the effectiveness and efficiency of the technical cooperation programme. While the CPF may not fully express the dynamic needs and priorities of Member States participating in TC programs, it provides guidance in planning and prioritization.

13. As stated before by the Group, alignment with United Nations Development Assistance Frameworks (UNDAFs) should not be made a requirement for TC projects. However, the Group takes note of the Agency's increasing visibility within the UN system with a view to contributing toward the global development agenda through its TC programme.

14. In this context, the Group stresses the vital role of the National Liaison Officers (NLOs) in TC project design and implementation. The continued strengthening of the NLOs' management capabilities, together with the strengthening of the role of the Programme Management Officer (PMO) and the coordination with the Permanent Missions in Vienna, would be essential to enhance country programme delivery. In this regard, the Group expresses its appreciation for the support given by the Agency to a strengthened role of the NLO, in particular through the NLO meetings biennially hosted in Vienna.

15. The Group believes that the Programme Management Officer (PMO), who is the direct interface between the Agency and the Member State, acts as the Agency's resident expert on a Member State's needs interests and priorities. In that regard, taking into account the technical nature of the Agency's programmes, the close collaboration between the PMO and its counterpart in Member States, usually the National Liaison Officer (NLO), cannot be delegated to UN resident representatives. The joint responsibility of the PMO and the Member State's counterpart is to carefully design projects based on the Central Criterion and developmental strategies of the Member States concerned, using the IT-based Programme Cycle Management Framework (PCMF).

16. The Group welcomes the information in Annex 1 of the Technical Cooperation Report, providing examples of technical cooperation projects by thematic sector in the fields of health and nutrition; food and agriculture; water and the environment; energy planning and nuclear power; radiation protection, nuclear safety and nuclear security; and nuclear knowledge development and management.

17. With these remarks, the Group of 77 and China takes note of the Technical Cooperation Report for 2013 and its Supplement, both contained in document GOV/2014/21.

Thank you Mr. Chairman.

Agenda Item 5: Report of the Programme and Budget Committee

Mr. Chairman,

1. The Group would like to thank the Deputy Director-General and Head of the Department of Management, Janice Dunn Lee, for her introductory remarks under this agenda item, as well as the Department of Management for their work in preparation of and during the deliberations of the Programme and Budget Committee held from 5-6 May 2014. The Group also reiterates its expressions of appreciation to the External Auditor and his staff for their report.

2. The Board of Governors has before it the Report of the Programme and Budget Committee. The Group would like to reiterate its views on the following aspects of significance at the current juncture:

2.1 The Group is pleased to note that "an unqualified opinion" has been placed on the Agency's financial statements for 2013. The External Auditor has made several observations and recommendations for the

improvement of the Agency's financial practices. While appreciating these comments, the Group reiterates that the Secretariat should take a cautious approach when considering these recommendations and, where appropriate, consult Member States prior to taking any measures in that regard.

2.2 The Group also notes that the External Auditor once again addressed the use of consultants in the Agency. The Group trusts that the Agency will address these concerns and report to member states on the measures taken.

2.3 The Group remains concerned over the asymmetry between the promotional and non-promotional activities of the Agency.

2.4 Meaningful steps need to be taken towards making the resources of the Technical Cooperation Fund (TCF) Sufficient, Assured, and Predictable (SAP), including an agreement to increase the resources of the TCF in the future cycles in a manner that matches the overall increase in the regular budget.

2.5 To this end, it is imperative that the Agency implement, without any further delay, the agreement reached by the Board of Governors on the Budget Proposal for 2009 as contained in document GOV/2009/52/Rev.1, which states that, with respect to future targets for voluntary contributions to the Technical Cooperation Fund, the 2005 decision to synchronise the TC programme cycle with the regular programme and budget cycle provides a framework to consider appropriate increases to the resources of the TC programme, including the TCF target. This decision identified 2012 as the starting date for these increases, and established that they should take into account the changes in the level of the regular operational budget from 2009 onwards and the price adjustment factor in the corresponding years, among other relevant factors.

2.6 Sufficient funding from the Regular Budget must be secured for Major Programmes 1 (Nuclear Power, Fuel Cycle and Nuclear Science); 2 (Nuclear Techniques for Development and Environmental Protection); and 6 (Management of Technical Cooperation for Development) in order to respond to the growing needs of developing countries. Also related to this, an informed assessment needs to be made as to whether Major Programme 6 is funded appropriately through the Regular Budget.

3. The Group of 77 and China is confident that these and other issues which have been identified by it in previous interventions both in the course of the meetings of the Working Group on financing the Agency's activities (WGFAA), including ways and means to render the resources for the Technical Cooperation Fund sufficient, assured and predictable as well as during the last Programme and Budget Committee, will be effectively addressed by this Working Group. The Group takes note with appreciation of the ongoing work of the WGFAA, and hopes that this process will result in an agreement on a set of proposed and concrete actionable measures aimed at improving the financing of the Agency's activities, both TC and non-TC related. The Group reiterates its request that sufficient time should be provided for a thorough negotiation of the topics under consideration, and that, if necessary, the date of conclusion of this Working Group should be deferred, to allow for a satisfactory outcome.

4. With these comments, Mr. Chairman, the Group of 77 and China takes note of the Report of the Programme and Budget Committee as contained in document GOV/2014/26 and recommends its adoption.

Thank you, Mr. Chairman.

Any Other Business: Strategy for the Renovation of the Nuclear Sciences and Applications Laboratories in Seibersdorf

Mr. Chairman,

1. The Group welcomes the Report on the Strategy for the Renovation of the Nuclear Sciences and Applications Laboratories in Seibersdorf contained in document GOV/INF/2014/11. The Group notes with appreciation that the Insect Pest Control Laboratory, the Soil and Water Management and Crop Nutrition Laboratory, the Food and Environmental Protection Laboratory and the Doseimetry Laboratory have been prioritized in the ReNuAL strategic document.

2. The Group is, however, concerned by the identification of a group of elements which cannot be delivered within the 31 million euro budget and which, therefore, fall “beyond the scope of the ReNuAL project”. Paragraph 15 of the said Report lists these elements in terms of the further refurbishment of existing buildings and/ or new space for the laboratories remaining in these buildings; the Ion Beam Spectrometer for the Instrumentation Laboratory; the Biosafety Level 3 (BSL3) capabilities for Animal Health and Production Laboratory; and the significant remaining needs for all laboratories; and further infrastructure upgrades as needed. The Group notes, for example, the exclusion from ReNuAL of the Biosafety Level 3 laboratory capabilities. This Laboratory provides essential services to the G-77 and to other Member States. The Group is concerned that the exclusion of the BSL3 capabilities from the ReNuAL project would impact on the ability of the Agency to respond to existing needs of Member States.

3. The Group of 77 and China recalls its principled position, that it is for Member States to define the needs and priorities of the Agency. In this context, the Group calls on the Secretariat to implement a phased approach for the ReNuAL project, which would allow for the inclusion of elements that are currently falling outside the scope of ReNuAL to be accommodated as RenNuAL Phase II.

4. On a separate note, Mr. Chairman, the Group would like to bid farewell to Mr. Daud Mohammad, to thank him for his excellent service during his tenure at the Agency and to commend him for his dedication in the fulfilment of his duties. The Group wishes him all the best in his future endeavors.

Thank you, Mr. Chairman.