



GROUP OF 77 AND CHINA STATEMENT FOR THE IAEA JUNE BOARD, STARTING ON 4 JUNE 2018 DELIVERED BY H.E. AMBASSADOR CARLOS JÁTIVA, PERMANENT REPRESENTATIVE OF ECUADOR

Agenda Item 2: The Annual Report for 2017

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 2017 as contained in document GOV/2018/14 and its annex.

I have the honour to speak on behalf of the Group of 77 and China under this agenda item.

Nuclear Technology

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 and that four new nuclear reactors were connected to the grid in 2017. The Group encourages the Agency to continue providing the necessary support to Member States interested in launching and expanding their nuclear power programmes.

3. The Group stresses the importance of holding regular Ministerial Conferences on the Agency's promotional activities. In this context, the Group notes the convening of the Agency's International Ministerial Conference on Nuclear Power in the 21st Century, hosted by the Government of the UAE, and appreciates its outcome, which highlighted that substantial nuclear power growth was needed for the world to meet its sustainable development and climate goals.

4. The Group welcomes the Agency's active participation in the 23rd session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP23), in Bonn, Germany, and its selection as the focal point for the United Nations exhibit on energy, industry, innovation and infrastructure. The IAEA should further strengthen the role of nuclear technology in meeting the goal of limiting the global temperature rise.

5. 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, while reiterating its call for continued support for INPRO from the Regular Budget. The Group also values the support provided to Member States upon their request through the Integrated Nuclear Infrastructure Review (INIR) missions and National Nuclear Energy System Assessments (NESAs).

Mr. Chairman,

6. 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 Agency's continued assistance to Member States, based on their national priority needs.

7. The Group reiterates that there is a fundamental need to enhance the transfer of nuclear technology to and

sharing of nuclear knowledge with developing countries. As preservation of nuclear knowledge continues to be a high priority for many Member States, the Group requests the Secretariat to continue providing assistance to interested Member States in capacity building and nuclear knowledge management, including through the Knowledge Management Assist Visits and Regional Nuclear Education Networks in Asia, Africa, and Latin America.

8. The Group attaches great value to Small Medium or Modular Reactors (SMRs), their potential benefit as a source of power generation, especially for Member States with limited electrical grids, and their successful use in seawater desalination, taking into account their demonstrated overall cost-effectiveness. The Group notes in this regard that the Agency established a new technical Working Group on SMRs to discuss the advances in SMR technology. The Group requests the Secretariat to continue its support to Member States in this regard.

Mr. Chairman,

9. The Group welcomes the various activities of the Agency in the field of nuclear data, research reactors and accelerator technologies. The Group reiterates its full support for the activities of the Agency in nuclear science, and urges the Secretariat to enhance its assistance on developing nuclear science application capabilities of Member States as a tool for their technological and economic development.

10. The Group highlights the important role of the various applications of nuclear and isotopic techniques in the field of food and agriculture, human health, management of water resources, environment, industry as well as radioisotope and radiation technology in the attainment of the SDGs and the objectives of the Paris Agreement. The Group requests the Secretariat to enhance its efforts to strengthen national capabilities of Member States, particularly developing countries, in these areas.

11. The Group attaches great value to the role of the Agency's Nuclear Applications Laboratories at Seibersdorf, which have assisted Member States in enhancing their access to the peaceful uses of nuclear technologies since 1962. The Group appreciates the contributions made by Member States for the construction and renovation of the laboratories, through the Renovation of the Nuclear Application Laboratories (ReNuAL and ReNuAL+) Projects. The Group welcomes the pledges and contributions made by several Member States to ReNuAL+ and encourages all Member States, in a position to do so, to contribute to the project.

12. The Group continues to support the work that the Agency has been conducting over the years in partnership with the Food and Agriculture Organization (FAO), through the Joint FAO/IAEA Division of Nuclear Techniques in Food and Agriculture. In this regard, the Group welcomes the work done by the Joint Division in 2017 in the various areas mentioned in the report.

13. In the field of human health, the Group commends the work of the Agency in 2017 in the expanded spectrum of application of radiation in medicine and their contribution to improved patient care, including in collaboration with several international organizations and initiatives, such as the UN Inter-Agency Task Force on Prevention and Control of Non-Communicable Diseases.

14. 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.

Nuclear Safety and Security

Mr. Chairman,

15. The Group reiterates its appreciation for the IAEA's continuing efforts to promote nuclear safety worldwide and welcomes the diverse activities undertaken in 2017. 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 its Statute. The Group remains of the view that nuclear safety and security considerations should not hamper the utilization of nuclear technology for peaceful purposes.

16. The Group attaches great value to the IAEA's assistance to developing countries embarking on nuclear power programmes and encourages the Agency to continue its support to Member States, upon request, in developing and strengthening their nuclear safety infrastructure. In this context, the Group values the Agency's support, provided to Member States, upon their request, through the peer review and advisory services conducted in 2017.

17. The Group takes note of the outcomes of the key nuclear safety conferences as presented in the report and requests that their follow-up be done in close consultations with Member States whenever necessary. The Group appreciates the Agency's efforts in conducting capacity building activities across its programme of work for nuclear, radiation, transport and waste safety, and emergency preparedness and response, as well as in strengthening global, regional and national safety networks and forums.

18. The Group notes the Agency's continued efforts in 2017 to contribute to global efforts to achieve effective nuclear security. The Group reiterates its view that the responsibility for nuclear security within a State rests entirely with that State, and that nuclear security should not be a condition or pre-requisite for technical cooperation projects.

Technical Cooperation

Mr. Chairman,

19. On Technical Cooperation, the Group welcomes the organization of the first International Conference on Technical Cooperation: 60 years and beyond, held in 2017, as part of the Agency's initiatives to raise awareness about the TC Programme and to celebrate the 60th anniversary of the IAEA.

20. The Group looks forward to the upcoming November Ministerial Conference on Nuclear Science, Technologies and Applications for Peaceful Uses, and their delivery to Member States through the Agency's TC Programme. The Group encourages the active participation of all Member States and stands ready to contribute to achieving a successful outcome.

21. The Group reiterates its call for strengthening the promotional activities of the IAEA, including Technical Cooperation, through the provision of adequate resources, so as to properly respond to the increasing number of Member States and their growing needs, as well as to enhance the use of nuclear technology for sustainable development. The Group will provide detailed comments on this topic on its statement on the Technical Cooperation Report for 2017.

22. With these comments, the Group takes note of the Agency's Annual Report for 2017 contained in document GOV/2018/14 and its Annex.

Thank you, Mr. Chairman.

Agenda Item 3: Strengthening of the Agency's Technical Cooperation Activities-Technical Cooperation Report for 2017

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. Dhazu Yang, for his introductory remarks under this agenda item. The Group also thanks the Technical Cooperation Department for preparing the Technical Cooperation Report for 2017

and its supplement, both contained in document GOV/2018/15 and for the briefing provided to delegations on the 16 May 2018. [not to be read]

2. The Group of 77 and China 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 the main statutory function of the Agency.

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 and evolving priorities of Member States implementing TC projects.

4. The Group wishes to emphasise the importance of a TC Programme that is tailored to respond to the specific needs of individual countries, sub-regions and regions. In this regard, the Group recalls resolution GC(61)/RES/10 that requests the Director General to make every effort to ensure, where relevant, that the Agency's TC programme, taking into account specific needs of each Member State, particularly developing countries and LDC's, as well as the Agency's adoption of the "Technical Cooperation among developing countries" (TCDC) modality in assisting LDCs, contributes to the implementation of the principles expressed in the Istanbul Declaration, the Programme of Action for Least Developed Countries for the Decade 2011-2020 and to the attainment of internationally agreed development goals. The Group calls on the Secretariat to continue making every effort in addressing the challenges facing LDCs in the peaceful application of nuclear energy through the Technical Cooperation Programme, as set out in GOV/INF/2016/12.

Mr. Chairman,

5. The Group notes that the IAEA regional programmes are an essential tool to promote technical cooperation among developing countries (TCDC), foster the exchange of best practices, and promote networks. The Group appreciates the support given by the Agency in this regard, and requests that the Secretariat continues to make additional efforts to increase and enhance the effective and efficient management of regional programmes. The Group also notes and supports the efforts made by the Secretariat to enhance the effectiveness of TC programme delivery to new Member States, including Small Island Developing States (SIDS), inter alia by developing a sub-regional approach for focused capacity building support that will best meet their specialized development needs.

Mr. Chairman,

6. The Group would also like to draw attention to the established process of the mid-term national planning mechanisms, such as Country Programme Frameworks (CPFs), regional profiles and strategic frameworks through which these needs of Member States are identified and defined. 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, those participating in the TC Programme.

7. The Group takes note of the continued efforts undertaken by the Secretariat in 2017 with the purpose of enhancing transparency and efficiency in the delivery of TC projects, including through strengthening the analytical content of the Country Programme Frameworks (CPF). The Group further notes that the CPF template is currently being reviewed to enhance the role of the CPF as the main strategic tool for the development of national TC programmes for Member States. 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.

Mr. Chairman,

8. The Group notes with appreciation that the rate of attainment on payments to the TCF for 2017, as of 31 December 2017, was 97.7%. The Group also notes that excluding the deferred or additional payments made by Member States, the 2017 rate of attainment on payments would have been lower by 4.7%. The Group emphasises the importance of the TCF in the implementation of the TCP and reiterates its call on all Member States to pay their contributions in accordance with the indicative scale of assessment in full and on time. 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.

9. Furthermore, the Group notes with concern that despite the increasing number of developing countries that are recipients of technical cooperation from the Agency, the resources for the Technical Cooperation Programme, both financial and human, have not increased accordingly. This situation becomes all the more striking when comparing the TCF to the availability of increased funds for the non-promotional activities. The Group would like to request the Secretariat to include in future reports the details of the increasing number of participants in TCP and increasing demands over the past several years.

10. In this context, the Group remains concerned that the resources available to the TC 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 reiterates its call 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 and to enable the Technical Cooperation Department to meet the increasing needs of Member States.

11. With the increase in the number of countries that require technical cooperation programmes, the Group reiterates its concern regarding the case load of Programme Management Officers and requests the Agency to evaluate the number of personnel it requires to discharge the current obligations towards the projects and report to Member States in this regard.

12. The Group appreciates the extra budgetary contributions to the TC Programme. The Group reminds Member States that extra-budgetary contributions are not assured and predictable and cannot replace the Technical Cooperation Fund, which is essential and the primary funding mechanism for ensuring a stable and strategic TC Programme. The Group calls on all Member States to ensure that the TC Fund has sufficient resources to fully implement the TC Programme. Similarly, the Group values the decision of some countries to participate in government cost-sharing mechanism. The Group would like to emphasize that the individual voluntary choice of the States to participate through government cost-sharing mechanism should not be promoted as a substitute for drawing assistance from the Technical Cooperation Fund.

Mr. Chairman,

13. The Group takes note of the important contribution the Agency's TCP could make to the achievement of the Agenda 2030 and its Sustainable Development Goals (SDGs) as well as to the Paris Climate Change Agreement. The Group welcomes the efforts under way to benefit from the synergies between the Sustainable Development Agenda 2030 and the TC Programme, while recognizing their specificities.

14. The Group encourages the Secretariat to continue its efforts to align the TC programme with the national priorities, including in sustainable development as identified by the Member States based on SDGs as appropriate. This notwithstanding, alignment with the SDGs should not constitute a limitation or condition for TC projects, nor a tool for their reprioritization. In this regard, the Group also reiterates its strong position that TC should not be subject to any kind of conditionality under any guise, and requests the Secretariat to continue to adhere to this principle. The Group also holds the view that the SDGs places a greater demand for additional resources to address the increasing socio-economic challenges and to meet the developmental needs of developing countries.

Mr. Chairman,

15. 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 capacity-building, as well as promoting technical cooperation and networking among developing countries.

16. The Group notes with appreciation the efforts made by the Agency in 2017 to help Member States in their national and regional programmes for the 2018-2019 cycle. The Group also appreciates the continued efforts of the Secretariat to enhance the quality of the TC Programme by providing support to the Member States to ensure that the projects for the next TC cycle are relevant, effective, sustainable, have measurable and attainable objectives, and offer greater opportunities for social and economic benefits and long term national development impact.

17. The Group reiterates its call on the Agency to address long-standing obstacles such as delays and denials of equipment, as well as travel and visa restrictions arbitrarily imposed by a number of Member States, which negatively impact programme delivery and the rate of implementation.

Mr. Chairman,

18. 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 identifying linkages between the goals and objectives of the CPFs and, where appropriate, those of the UNDAF in order to facilitate close coordination with UN agencies to address national priorities in sustainable development and keep Member States informed.

19. 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.

20. 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; industrial applications; energy planning and nuclear power; radiation protection and nuclear safety; and nuclear knowledge development and management.

21. The Group underlines the importance of cancer therapy in developing countries and urges the IAEA to continue building capacities in developing countries, including those that still have no access to radiation medicine techniques and radiotherapy. The Group encourages the Agency to continue addressing Member States' requirements for comprehensive cancer control capacity and needs through the integrated missions of PACT (imPACT), and to foster more regional PACT programmes. The Group highly commends the continued efforts to strengthen collaboration of the Agency with leading cancer organizations and other partners under the Programme of Action for Cancer Therapy (PACT).

22. With these remarks, the Group of 77 and China takes note of the Technical Cooperation Report for 2017 contained in document GOV/2018/15.

Thank you, Mr. Chairman.

Agenda item 4: Report of the Programme and Budget Committee and the Proposal to the Board of Governors by the Chair of the BOG on the Agency's Budget update for 2019 (GOV/2018/30)

Mr. Chairman,

1. The Group would like to thank the Deputy Director General and Head of the Department of Management, 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 7-8 May 2018.

2. The Group had made detailed comments and observations on the related reports during the Programme and Budget Committee Meeting.

3. Regarding the report of the Programme and Budget Committee, the Group would like to reiterate its views on the following aspects:

3.1. The Group is pleased to note that “an unqualified opinion” has once again been placed on the Agency's financial statements for 2017. 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.

3.2. With regard to the Proposal to the Board of Governors by the Chair of the BOG on the Agency's Budget update for 2019, as contained in GOV/2018/30, the Group notes that that the Regular Budget for 2019 shall amount to a total of €375.2 million, for operational and capital requirements combined, representing a 1.2% increase over the approved Regular Budget for 2018. The Group also notes that the one-time special measures that were initially proposed shall be replaced by crosscutting savings and efficiencies to be implemented by the Secretariat, representing a total of 1.6% reduction for 2019.

3.3. While the Group appreciates that the Chair has taken into consideration the views expressed by the Group relating to paras 7, 10 and 11 of the proposal, the Group regrets that the breakdown of crosscutting savings and efficiencies was not provided as previously requested. The Group urges the Secretariat to keep Member States informed during the process of identifying the proposed savings and efficiencies before implementing them, in order to meet the targets, with the view of ensuring that there is no negative impact on the programmatic activities and that it will not adversely affect the quality of the expected results of MP1, MP2 and MP6.

3.4. The Group reiterates its position on the price adjustment as expressed in the last formal PBC meeting. In this regard, the Group notes that previous programme and budget documents, such as the one contained in GC(53)/5, present a breakdown of regular budget expenditures for each item of expenditure with detailed description of the factors that impact the price adjustment and the overall regular budget growth, including the different components of staff costs. The Group calls on the Secretariat to resume this practice for all future budget cycles and updates.

3.5. The Group also reiterates its position that while implementing the OIOS recommendations relevant to the travel policy, the Group urges the Secretariat to ensure that there is no negative impact on the programmatic delivery to Member States and on the participation in Agency activities of experts from developing countries.

Mr. Chairman,

4. The Group expresses its agreement with the Chair's proposal contained in the above referred proposal with the expectations that the Secretariat will officially fulfil the Group's requests as soon as possible and

improve the process of future Programme and Budget Cycles with provision of full, clear and official information well in advance. Finally, The Group asks for its requests to be duly reflected in the official records.

5. 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/2018/23 and the Budget update proposals contained in document GOV/2018/30 and recommends their adoption.

Thank you, Mr. Chairman.