



STATEMENT OF THE G-77 AND CHINA AT THE IAEA BOARD OF GOVERNORS - 5-9 JUNE 2000
DELIVERED BY H.E. AMBASSADOR FRUCTUOSO PITTALUGA-FONSECA, PERMANENT
REPRESENTATIVE OF URUGUAY

Item 3: The Annual Report for 1999

Mr. Chairman,

On behalf of the Group of 77 and China I would like to express my appreciation to the Director-General for his detailed introductory statement touching upon the issues being discussed in the Board meeting. I also appreciate the efforts of the Secretariat in the preparation of the Annual Report for 1999.

Before I proceed further I would like to bring to your notice the difficulties faced by the members of the Group in making adequate preparations for that Board meeting. There was a respite of little over three weeks between meetings of the Programme and Budget Committee and this meeting. During this period the members had to attend various meetings of the area groups and those of the G-77 itself, had to participate in consultations on Financing of Technical Cooperation and Financing of Safeguards, etc. This meeting of the Board covers many important issues for which documentation totalling about 500 pages has been issued and includes four major reports. In the small missions belonging to the Group of 77 there is generally only one person to look after IAEA matters, who most often also takes care of the activities at other multilateral agencies at the VIC and sometimes also the bilateral issues. It is, therefore, proposed that, in future, an adequate gap be provided between two major meetings of the IAEA and a balanced distribution of agenda items be made within the Board Meetings. In addition, the papers for each meeting should be as concise as possible and should be available well in advance. For example, if the documents on Nuclear Technology Review, Result Based Approach to Programme Development and the MOU between IAEA and OECD/NEA had been provided well before the meetings in which they were initially discussed these would have needed no further consideration.

Coming now to the present issue, the Group of 77 and China appreciates the improved format which, at least in the overview, presents a more coherent picture of the programme. The report highlights a shift in the focus on nuclear power development from the Western countries to Asia. Assistance of the Agency to the developing countries in nuclear power planning is thus necessary so that it may enable them to make correct choice of the energy mix. Further help may also be provided to these countries for the development of cost efficient and safe nuclear power plants, should they opt for this choice.

The Agency may continue providing information to the interested Member States on the potential role of nuclear power in the Clean Development Mechanism and orchestrate support for achieving this goal, while respecting the right of each State to choose its projects under the CDM. In this connection the Group notes the new CRP on the role of nuclear power and other energy options in the mitigation of green house gas emissions. It appreciates the greater emphasis on planning of nuclear power programmes using small and medium size reactors in the developing countries, as well as the initiation of R&D projects on innovative nuclear fuel cycle. Support to the interested developing countries in nuclear desalination of sea water, which has proven its economic competitiveness, is also commended.

The G-77 acknowledges the importance of activities of the Agency in the use of nuclear techniques in the fields of food and agriculture, human health and environment. These techniques have an indispensable edge in the diagnosis and control of cancer. The Group, therefore, welcomes the transfer of various nuclear techniques for the diagnosis of cancer, as well as hepatitis, to the developing Member States. However, it is necessary to ensure quality assurance and calibration of radiation sources in order to avoid overexposures. The work on the development of isotope based molecular techniques for the rapid and accurate detection of

multidrug resistant strains of tuberculosis is also an important initiative. The extension of SIT for the control and eradication of fruitfly and medfly in Latin America, South Africa and the Middle East is also welcomed.

An area of crucial importance is that of development and management of water resources, both for agriculture and drinking, due to the scarcity already observed and foreseen in the near future. The emphasis of the Agency on use of the ideally suited isotopic techniques for this purpose is appreciated. It is encouraging to see that the technology developed by the CRP on irradiation treatment of clean, polluted and waste water has been taken up by the industry and engineering scale facilities are now in operation. The Group also appreciates the coordination of the Agency with other organizations in the use of isotope hydrology techniques for water resources management in West Asia.

The Group attaches great significance to the efforts of the Agency in strengthening nuclear and radiation safety around the world. The development and updating of safety standards and the provision of expert services in this regard is welcomed. The Agency's support for more than 150 safety related technical cooperation projects and more than 70 training courses and workshops, as well as the development of a set of standardized training courses, is appreciated. The peer review, in selected countries, of the Model Project on Upgradation of Radiation Protection Infrastructure, in which more than 50 states are participating, is a useful way to judge the implementation and efficacy of the project and would point the way for future action. The ageing manpower in the nuclear industry, the shrinking workforce, and the loss of institutional memory is a cause of serious concern. To promote safety culture in this industry intensive training of newly inducted manpower is of utmost importance. Inculcating the habit and process of self assessment would also be a way of sustaining good safety performance.

Finally, Mr. Chairman, the previous year achieved an important landmark, i.e. the resolution of the longstanding issue of amendment to Article VI of the Statute. The year also experienced an unmatched resource utilization rate of 99.88%. Looking into the details, one notices additional expenditure in programmes such as nuclear power, physical and chemical sciences, nuclear safety, technical cooperation programme, etc; which indicates that these areas need an increased allocation of funds.

With these remarks the Group of 77 and China approves the report for onward transmission to the General Conference.

Thank you Mr. Chairman.

Agenda Item 4: Technical Co-operation

Mr. Chairman,

The Group of 77 and China would like to express its appreciation to the Secretariat for the preparation of the document GOV/2000/16 on the Technical Co-operation Report for 1999 and the Strengthening of the Agency's technical cooperation activities. The document maintains the same format and structure as the one presented last year and introduces in a clear way the concrete results of the TC activities during 1999, a fact which should enhance the support given by Member States to one of the IAEA pillars.

The Group expresses its satisfaction for the successful achievements and the progress made in 1999 during the implementation of the TC strategy. The appropriate use of the key elements of the strategy, i.e. Country Programme Framework, Thematic Planning and Model Projects have contributed positively to the implementation of the Programme.

In this regards, the Group once again reiterates its support to the Model Project concept. The extension of the concept of Model Projects in the recipient countries has been consistent with the effort to achieve the greatest impact, even more because they are oriented to prioritized areas as human health, food, agriculture, environment and industrial applications. In general, the combination of the key elements of the TC strategy should reflect the real needs of developing countries so that technical cooperation becomes more effective.

The Group recognizes that in 1999 the TC Department made efforts in that direction and has achieved outstanding results.

Mr. Chairman,

The TC strategy constitutes key elements considered in the framework of the Agency's New Approach to Programme Development. In this regard, the Group has expressed its support to the results based programming. In fact, on that base it has already obtained important and positive experience during the implementation of the TC strategy. The Group recognizes the important role of the Director-General in the support given to the implementation of the TC strategy and the Agency's New Approach. The Group is of the opinion that the implementation of the Agency's New Approach is one of the efficient means for the strengthening IAEA TC activities.

Mr. Chairman,

The Group underlines the need of increasing technical co-operation among developing countries through different mechanisms and in this regard, welcomes progress made on the implementation of Resolution GC(43)/RES/14 on "Regional Resource Centres". The Group would also like to point out the importance of strengthening the framework of cooperation and coordination between the Agency and the current Regional Cooperation Agreements (AFRA, ARCAL and RCA) and further enhancement of the cooperation among those agreements. In this sense, the Group notes that the Report does not reflect on the cooperation between the Agency and the Regional Agreements and requests the Secretariat to incorporate details on the progress made during 1999 in that direction. Important outcomes of cooperation among Regional Agreements should be mentioned in different domains, such as human health and regulatory matters (Tissue Bank, Regulatory Guide on Radiotherapy), etc.

The Group takes note of the progress achieved in exploring possibilities with nontraditional funding organizations, in particular, International Development Organizations and the Private Sector. As the Group already said in the recent past, the TC Department is encouraged to further intensify efforts in finding new partners willing to establish a mutually beneficial cooperation and exploring different extrabudgetary resources options.

The Group welcomes the notable increase in the number of expert missions, meetings and specialists' workshops made during 1999, since these constitute an element of considerable importance in the transfer of technology and knowledge. In that sense the Group expresses satisfaction for the effort made to select lecturers and experts covering the needs of the respective Regions from member countries of the Region. It represents a good example of the effort to develop technical cooperation among developing countries.

A slight increase was observed during 1999 in the number of training and scientific visits and training courses. Nevertheless, with relation to the equipment supplies it remained at the same level as 1998. In this sense it should be pointed out that the equipment supply also constitutes a component of major importance in the transfer of technology and should follow the same tendency of growth as the other components, so as to ensure that technical cooperation fulfills the needs of the recipient countries.

In the opinion of the Group there should be no artificial limitations imposed on the provision of equipment. It should be noted that for the majority of developing countries it is difficult to allocate the necessary resources to purchase equipment for the successful implementation of the TC projects, taking into account the fact that equipment is imported from developed countries.

The Group is also of the opinion that Regional Workshops on design and planning of TC projects could become a useful and beneficial practice, only if the participation of representatives of all countries is guaranteed.

Mr. Chairman, The Group of 77 and China would like to congratulate the TC Department for the high implementation rate of 74.6% achieved in 1999.

Nevertheless, related to the disbursement by regions during 1999, the Group would like to underline that the distribution of resources in practical terms should observe necessary priority should be given to developing countries.

Mr. Chairman,

During 1999, as was the case in recent years; the Technical Cooperation Fund (TCF) continued to constitute the main component in the total available resources for Technical Cooperation activities. From here stems the importance that all countries pledge to the Target and fully make their respective payments. In relation to the above-mentioned, the number of countries pledging to the TCF in 1999 was 73, equal to the number the year 1998. Although it is a relatively high figure in comparison with recent years, it represents only 56% of IAEA Member States.

The Group recognizes among those countries that have fulfilled their contribution to the TCF, those five that pledged and paid more than their share. Satisfaction is at the same time expressed by the increase in 1999 of the available resources for Technical Cooperation with regard to 1998, although it is mainly a major donor who paid its share covering its commitments of previous years. As we mentioned last year, the Group fully supports that great deal of credit must be given to the traditional donors to the TCF.

Mr. Chairman,

The Group would like to recognize the major donors to the TCF, which have contributed with 96,1% of the total available resources for this IAEA pillar. At the same time, the Group recognizes the efforts made by developing countries in order to pay contributions related to the assessed programmes costs. In this regard, the Group would like to urge all States, especially the major donors, to pay in full and on time their commitments to the TCF.

On the other hand, the Group expresses concern for the fact of the diminishing of extra-budgetary resources to the TCF for the second consecutive year. This tendency is also observed with relation to the UNDP contributions, falling to their lowest level in 1999. In this respect, the same negative trend is observed for contributions in kind.

Mr. Chairman,

Finally, the Group requests the support of the Board of Governors to the targets that have been proposed on behalf of the G-77 and China for the TCF corresponding to the cycles 2001-2002 and 2003-2004, as an expression of enhanced commitment to the IAEA Technical Cooperation activities in the frame of the Agency's New Approach.

Thank you, Mr. Chairman.

Item 5: The Report of the Programme and Budget Committee

Mr. Chairman,

The Group of G77 and China wishes to express appreciation to the Secretariat for the efforts in the preparation of the 2001 draft budget as contained in GOV/2000/1 and its supplementary and modifying documents. We would also like to commend the DDG Administration for his introductory remarks on this subject.

Mr. Chairman,

Having taken due cognizance of all the budget documents, including the advice provided by the Secretariat on a number of issues raised during the May Session of the PBC, as well as the latest document 2000/NOTE/14, the Group would like to comment as follows:

The Group welcomes the new 'Result-Based' approach adopted for the formulation of the Agency's budget.

It notes that the proposed structure for the Agency's programme and budget conforms with the 'Result Based' approach. The new approach is in line with the Group's long held position that the Agency should change from the way and manner its budget formulation is arrived at to a programme driven one. At this stage, the Group will reserve its comments, until the detailed preparation of the Agency's programme and activities is released.

Mr. Chairman,

The Group commends the Secretariat for enumerating the objectives and outcomes at the Major Programme and Programme levels. Our expectation is that this principle will be extended to the sub-programme and project levels to give it a global outlook. As regards resource allocation, much as we do not expect an immediate switch to the actual funding requirement from the current ZRG budget, which in itself is a limitation to the 'Result-Based' approach, nevertheless, we expect that resources will be allocated according to the relevance of programmes and priority needs of Member States.

With the new approach, it is the expectation of the Group that the Secretariat will ensure its faithful implementation. Such a development will spare the Agency and indeed Members States the agony that usually entails the realization that some sound programmes are held hostage due to lack of adequate regular budget resources. It is even the more painful when sound projects are pushed over either to the ever elongated list of URPA's or invariably become candidates for the unpredictable and unassured extra budgetary resources.

The Group notes that the Secretariat efforts at identifying savings has led to the reallocation of US\$ 250,000. This development has made it possible for additional programmatic activities to be made within the same level of resources. We therefore welcome the proposal to use the additional savings to reduce the list of URPA's by incorporating into the Regular Budget all or part of the funding needed for some of the activities. You will recall that the Group had earlier advocated the full restoration of US\$ 270,000 to MP2 but only a reallocation of US\$ 140,000 was made. Despite the above, the Group is encouraged by the fact that an additional US\$ 45,000 of the savings has been earmarked for CRPS in MP2. It is equally noteworthy that the savings made would not lead to reduction in priority programmatic activities.

Regarding the present proposed level of the budget it is perceived that a limit to the elasticity and flexibility exercised by the secretariat in the allocation of the fixed amount of resources for an increasing scope of activities of the Agency will soon reach its optimal limit, and consequently affecting adversely the implementation of the core programmes. Such a limit has reportedly been crossed in the case of several Major Programmes, as has been explicitly and implicitly indicated by the secretariat for these MPs. The current process of "squeezing savings" to maintain a certain financial ceiling may exacerbate the process of prioritization and hamper the delicate balance between the different activities of the Agency.

Having said all that, the Group would be prepared to go along with a consensus on the proposed level of the 2001 budget as contained in document GOV/2000/1/Mod.1 and the follow-up modifications presented in document GOV/2000/Note 14.

On the initial planning for the Programme and Budget 2002/2003 the Group notes that the proposed restructuring of technical programmes, in particular the shifting of Nuclear Sciences from MP2 to MP1 and subsequent retitling of MP1. Therefore the Group looks forward to programmes and subprogrammes on these applications under this major programme in the future document. It is further proposed that some of the programmes will be incorporated into a single one, dealing with both technological and safety aspects of radioactive waste management. As the proposed changes are of a fundamental nature and given the importance which the group attaches to them, we urge the Secretariat to further consult Member States for an in-depth evaluation and analysis of the implication of these proposals.

Finally, as regards the ongoing consultation on the financing of Technical Cooperation and on financing of Safeguards, we welcome the reports of the chairpersons of the two groups. The Group of 77 and China is not

convinced, to allow the erosion of the principle of shielding with regard to the contributions by the developing countries to the safeguards component of the budget. As regards the level and financing of the TCF the position of the G-77 countries is too well-known to bear reiteration.

Thank you Mr. Chairman.

Item 7: Nuclear Technology Review 2000

Mr. Chairman,

The G-77 and China welcomes the initiative taken up by the Director General and thank him for bringing out document GOV/2000/28 'Nuclear Technology Review 2000' to be discussed under the dedicated agenda of this Board, upon the request of the Group.

The Group notes that the Nuclear Technology Review 2000, part I: Nuclear Power, Fuel Cycle and Waste Management as an informative document which contains up-to-date information on the status of the world's nuclear power development. The Group considers this document to be timely and very useful for all Member States which implement their national nuclear power programmes. The document has clearly brought out the nuclear picture worldwide and addressed all issues, particularly sustainable energy management, and provides perspective view to the future. However, this document could include more scientific and technological input as well as analytical review to help policy makers in our capitals to arrive at appropriate energy mixes for their respective countries.

Taking into account that the document itself is a concise one, additional and separate analytical reports on different special topics of the status and prospects of some scientific and technological problems of nuclear energy should be issued. These reports should be prepared with participation of the international experts and be supplemented to the main document as is being implemented in Nuclear Safety Review.

Regarding Part II of the document on Nuclear Applications, the Group finds the information contained very useful. Research reactors and accelerators are powerful tools of nuclear science and have had a significant impact on economic and industrial development in many developing countries and have facilitated the development of high technology products. They have also contributed significantly to health care.

The Group notes that 58 countries, including 40 developing countries, operate 293 research reactors and thousands of low energy particle accelerators are in operation around the world. The document has highlighted various applications in agriculture, medicine, industry, water management, environment, etc. The Group notes that though some techniques like Radioimmunoassay (RIA) is in decline in developed countries they are useful to developing countries and are actually increasing, since they are robust, less expensive and suitable for technology transfer. The Agency should support such techniques that are useful to the developing world. An issue of concern for the Group is the future security of supply of isotopes. There are only limited number of production facilities and the demand for isotopes is increasing. This could have an impact on the health and industrial sectors, in particular.

Nuclear Instrumentation is a key element in the infrastructure for development. Therefore, training in the calibration, maintenance and repair of instruments based on older, more conventional electronics will still be needed for developing countries.

Nuclear data are essential for applications including nuclear power, nuclear safeguards, nuclear medicine and activation analysis. Expensive and demanding measurements are needed to obtain nuclear data and most of the developing countries can not afford it. The Agency should continue to coordinate with the international community to share international data repository.

The Group notes that 112 crop mutant varieties have been released in 28 countries in the last five years

alone, and the Sterile Insect Technique (SIT) has been successfully implemented in Argentina, Chile, Guatemala and the USA, among others. The role of this nuclear technique for targeting and tracking progress in food and nutrition, diagnosis of various diseases and treatment should continue to be employed in the developing world. All these activities are important for the Group and the Agency should allocate adequate resources.

This document should be issued annually, its content should be discussed by Member States at the meeting of the March Board of Governors and at the General Conference on annual basis. Thank you, Mr. Chairman.

Item 9: Provisional Agenda for the forty-fourth (2000) regular session of the General Conference

Mr. Chairman,

The Group on several occasions in the past had suggested that activities under Nuclear Science, Technology and Applications should be discussed in the Board on an annual basis as it is being done for Nuclear Safety and Safeguards. Accordingly the Group is happy that the Director General has provided an opportunity to discuss Nuclear Technology Review 2000 in this Board. However, many of the States members of the Group are not represented in Vienna and hence not in a position to attend the Board meetings. It would, therefore, be more appropriate to discuss this vital topic on a much wider basis. For this reason the Group formally proposes to have a dedicated agenda in the forthcoming 44th General Conference titled 'Strengthening the Agency's activities in Nuclear Science, Technology and Applications'. Under this agenda, all relevant topics including Nuclear Technology Review could be discussed.

Thank you, Mr. Chairman.

Item 11 (a): Draft Memorandum of Understanding between the IAEA and the OECD/NEA

Mr. Chairman,

First of all, I would like to thank DDG Mr. Domaratzki on his presentation on the issue. Mr. Chairman,

I would like to recall in this regard that the observations submitted by the Group during the March Board in comment on the DG's introductory statement then, are still valid, and would like to reiterate the request that the secretariat would take them into consideration. Furthermore, the Group would request the Secretariat to submit an annual evaluation report on the results of the existing co-operation in order that Member States would be able to review the efficiency gains realized from that synergy, and to propose any appropriate measures to enhance the realization of such gains. Thank you!

Item 11(b) Other business - Brief Review on the outcome of the 2000 NPT Review Conference

Mr. Chairman,

As you are well aware, the 2000 NPT Review Conference concluded its workings on May 19, 2000 after an intensive period of consultations and deliberations to accelerate the objectives of Nuclear non-proliferation, and peaceful uses of the Atomic Energy.

In that regard, I would like to bring to the kind attention of the members of the Board that the members of the G-77 and China, parties of the NPT prepared a working paper on the issue of "Technical Co-operation and Technology Transfer Activities in the framework of the IAEA" to be used in the deliberations of the third committee of the Conference.

The paper contained also some recommendations covering the previous areas. We would kindly request the Secretariat to distribute the paper as an information document of the Agency.

Mr. Chairman,

The Review Conference adopted a final document which embodied a significant part on Technical Co-operation, and which underlined inter alia, the following:

- I. Acknowledging the importance of the work of the IAEA as the principal agent for nuclear technology transfer, and affirming the importance of the TC activities of the Agency in fulfilling the obligations set forth in Article IV of the NPT.
- II. Calling upon all states parties to the NPT in acting in pursuance of the objectives of the Treaty to observe the legitimate rights of all states parties, particularly developing states, to have full access to nuclear material, equipment and technological information for peaceful purposes.
- III. Stressing that every effort should be made to ensure that the IAEA's financial and human resources necessary for TC activities are assured, predictable, and sufficient to meet the objectives mandated in Article IV. paragraph 2 of the Treaty and Article II of the IAEA statute.
- IV. Urging member States of the Agency to make every effort to pay in full and on time their contributions to the TCF.

It is the belief of the G-77 and China that the above elements should serve as a guidance to the present deliberations on the issue of the financing of TC activities, including the attempts to indicate target figures for the TCF for the biennium as well the IPF for the following biennium. Thank you!