



STATEMENT BY THE GROUP OF 77 AND CHINA DURING THE BOARD OF GOVERNORS OF THE IAEA STARTING ON 8 JUNE 2016, DELIVERED BY THE CHAIRMAN OF THE GROUP OF 77 H.E. AMBASSADOR SIMON MADJUMO MARUTA, PERMANENT REPRESENTATIVE OF NAMIBIA

### **Agenda Item 3: The Annual Report for 2015**

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 2015 as contained in document GOV/2016/16.

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 10 new nuclear reactors were connected to the grid in 2015, the highest number since 1993. The Group further notes that around 30 countries are considering, planning or starting Nuclear Power Programmes, of which the majority are developing countries. The Group encourages the Agency to continue providing the necessary support to Member States interested in launching and expanding their nuclear power programmes. The Group takes note with satisfaction of the guidance provided by the Agency in its support to existing nuclear power programmes, as well as its facilitating role in the sharing of knowledge among interested countries, and encourages the Secretariat to continue pursuing activities in this field.

3. The Group notes with appreciation the Agency publication *Climate Change and Nuclear Power 2015*, which describes how nuclear energy, as one of the low carbon energy sources available today, can help meet this 'climate-energy challenge'. In 2015, a new binding agreement on climate change was adopted at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), which recognizes that reductions in global greenhouse emissions are needed as soon as possible. In this context, the IAEA should further strengthen its role in promoting the safe use of nuclear power.

### **Nuclear Technology**

Mr Chairman,

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 goals and, therefore, the Group welcomes the fact that in 2015 the Agency continued to assist Member States, based on their national priority needs. The Group encourages the Agency to continue helping Member States to build, strengthen and maintain capacities in safe, peaceful and secure use of nuclear technology, as well as to keep providing assistance to interested Member States in building up 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 sharing of nuclear knowledge with developing countries, to enhance their capabilities. 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 continued to conduct Knowledge Management Assist Visits during the period under review, to G-77 countries. The Group also welcomes the continued support by the Agency to activities of

and collaboration among regional nuclear education networks and further welcomes the work conducted in 2015 with regional networks for nuclear education in Asia, Africa and Latin America. The Group encourages the Secretariat to continue providing 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 resource for information on the peaceful uses of nuclear science and technology, and appreciates the organization of an INIS training seminar, held in October in Vienna, aimed at building capacity and improving many aspects of national INIS operational capabilities. 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. The Group also appreciates the significant increase in the number of electronic journals available through the Library.

7. The Group encourages the Agency to continue to provide support to Member States, in particular to developing countries, in the enhancement of 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 calls for continued support for INPRO from the Regular Budget.

9. 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.

10. The Group notes with appreciation the meetings and projects organized by the Secretariat during the reporting period, in the identification and extraction of 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.

11. The Group attaches great value to Small Medium or Modular 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 urges the Secretariat to continue its support to Member States in this regard.

Mr Chairman,

12. The Group welcomes elaboration of the various activities of the Agency in the field of atomic and nuclear data; research reactors and accelerator based technologies which serve social and economic development and have a wide variety of applications in the sectors such as energy, health, agricultural, educations and environment. 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 States 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.

13. 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.

14. The Group agrees with the statement in the report that “The possible shortage of molybdenum-99, the parent of technetium-99m, the most widely employed radioisotope in nuclear medicine — continues to be a major concern around the world”. The Group welcomes the activities carried out by the Agency in radioisotopes and radiation technology and notes the completion of coordinated research project entitled ‘Accelerator-based Alternatives to Non-HEU Production of molybdenum-99/ technetium-99m’. We encourage the Agency to keep pursuing the related activities, with a view to averting future recurrence of molybdenum-99 shortages.

15. 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,

16. 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 2015 in the areas of sustainable management of major insect pests; animal production and health; Food Safety and Control; mutation breeding for crop improvement; and Land and water management and crop nutrition. 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 developments in these areas, with due focus placed on developing countries. The Group also encourages further expansion of the techniques in these areas to help attain essential objectives such as the eradication of animal diseases and increased yields in food production.

17. The Group appreciates the work of the Agency in Food Safety and Control and thanks the Agency for conducting large number of training courses and workshops related to food safety, quality, authenticity and traceability. The Group welcomes the publication of a new manual of good practice in food radiation. Standards and guidelines developed by the Agency provide the framework for promoting trade in irradiated foods. The Group notes that fifteen irradiation treatment methods included in International Plant Protection Convention standards were developed in joint FAO/IAEA coordinated research projects. The Group notes the statement in the report that increasing commercial use of irradiation as a phytosanitary treatment is helping producers overcome insect pest related trade restrictions and reach markets that would otherwise be closed to them.

18. In the field of human health, the Group commends the work of the Agency in 2015 in expanding the use of radiation medicine for the diagnosis and treatment of disease. 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). 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 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.

19. In the context of Ebola virus disease (EVD) and the highly pathogenic H5N1 avian influenza, the Group notes with satisfaction the Agency’s continued contributions to strengthening regional capacities for early detection of emerging and re-emerging zoonotic diseases in wildlife and livestock, and the establishment of early warning systems . The Group requests the Agency to continue with this work.

20. As groundwater is the largest reservoir of fresh water on earth, the Group appreciates the Agency’s efforts focused on research, training, protocol development and analytical services aimed at expanding the

use of groundwater age dating with isotopes to map water resources.

21. 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) Project. The Group is pleased to note that the construction of the new laboratories is going to start soon.

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. As Ocean acidification is a growing global concern and a specific target under the SDG on oceans and sea, the Group supports the continued strengthening of Agency's work in areas where ocean acidification data are scarce and where the problem is most severe.

### **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 2015 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 hamper the utilization of nuclear technology for peaceful purposes.

24. The Group attaches great value to the Agency's 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.

25. The Group appreciates the publishing of the Director General's Fourth and Final report on the Action Plan and its supplement, and the report of the Director General on the Fukushima Daiichi accident. The Group commends Agency's continued efforts to disseminate lessons learned from the Fukushima Daiichi accident.

26. The Group also values the Agency's support provided to Member States to strengthen their national safety regulatory bodies and takes note of the IRRS Missions and follow-up missions undertaken in 2015. The Group also takes note of the Operational Safety Review Team (OSART) missions, and the Safety Aspects of Long Term Operation (SALTO) peer review missions.

27. The Group takes note of the major outcomes of the key nuclear safety conferences as presented in the report and requests follow up of these outcomes in close consultations with Member States wherever necessary. The Group also appreciates the Agency's efforts to strengthen national emergency preparedness and response capacities through EPREV missions. The Group also notes the Launch of Emergency Preparedness and Response Information Management System (EPRIMS) during the 59th regular session of the General Conference in September and that the system is expected to enhance the effectiveness and usefulness of EPR self-assessment and of EPREV peer reviews. The Group further appreciates the Agency's efforts to strengthen global, regional and national networks.

28. The Group notes the Agency's continued efforts in 2015 to contribute to global efforts to achieve effective nuclear security. The Group reiterates its view that the responsibility for nuclear security rests entirely with each State and that nuclear safety and nuclear security should not be a condition or pre-requisite for technical cooperation projects.

## **Technical Cooperation**

Mr Chairman,

29. With regard to the section of the 2015 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 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 2015.

30. With these comments, the Group takes note of the Agency's Annual Report for 2015 contained in document GOV/2016/16.

### **Agenda Item 4: Strengthening of the Agency's Technical Cooperation Activities-Technical Cooperation Report for 2015**

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 2015 and its Supplement, both contained in document GOV/2016/20 and for the briefing provided to delegations on the 12 May 2016.

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 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.

4. Indeed, 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 GC resolution GC(59)/RES/11, which reiterates its request to the Secretariat to continue examining in depth the specific characteristics and problems of the LDCs with respect to the peaceful applications of nuclear energy and to report its conclusions on this matter to the Member States during the next Technical Assistance and Cooperation Committee, and to issue a report, in the form of a supplementary document to the next Technical Cooperation Report. The Group requests the Agency to make these findings available.

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 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 2015 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. 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 2015, as of 31 December 2015, was 93.8%, which was higher compared to the previous five years. The Group also notes that 3.4% of this increase was due to the deferred or additional payments made by Member States. 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, including through the Due Account Mechanism.

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 to non-promotional activities.

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. In this regard the Group recalls the comments made by the External Auditor in the Agency's Financial Statements for 2012, on the case load of Programme Management Officers. The External Auditor noted that the approximately 23 projects per PMO per year on average was a fairly large average and recommended that the Agency consider undertaking an evaluation of the number of personnel it requires to discharge the current obligations towards the projects. With the increase in the number of countries that require technical cooperation programmes, the Group reiterates its concern regarding the case load of PMOs and requests the Agency to evaluate the situation 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 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.

Mr. Chairman,

13. The Group takes note of the Agency's contribution to national achievements of five of the eight UN Millennium Development Goals (MDGs) through the Technical Cooperation programme. The Group also

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. In this regard, the Group encourages the Secretariat to continue its efforts to align the TC programme with the national priorities in sustainable development identified by the Member States based on SDGs. The Group also reiterates its strong position that TC should not be subject to any kind of conditionality under any guise, and urges the Secretariat to respect this principle. The Group requests the Secretariat to provide more detailed information to Member States on how the Agency can contribute to the SDGs.

Mr. Chairman,

14. 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 capacity, as well as promoting technical cooperation and networking among developing countries.

15. The Group notes with appreciation the efforts made by the Agency in 2015 to help Member States develop their national and regional programmes for the 2016-2017 cycle. The Group also appreciates the continued efforts of the Secretariat to enhance the quality of the TC Programme providing support to Member States to ensure that the projects for the current next TC cycle were relevant, effective and sustainable have measurable and attainable objectives, as well as offered greater opportunities for social and economic benefits and long term national development impact.

16. 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 rate of implementation.

Mr. Chairman,

17. 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.

18. 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.

19. 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).

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; energy planning and nuclear power; industrial applications;

radiation protection, nuclear safety and nuclear security; and nuclear knowledge development and management.

21. With these remarks, the Group of 77 and China takes note of the Technical Cooperation Report for 2015 and its Supplement, both contained in document GOV/2016/20.

Thank you, Mr. Chairman.

**Agenda item 5: 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 2017 (GOV/2016/29)**

Mr. Chairman,

1. The Group would like to thank the Deputy Director General and Head of the Department of Management, Ms. 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 9-10 May 2016.

2. The Group had made detailed comments and observations on the related reports during the Programme and Budget Committee Meeting, held from 9-10 May 2016.

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 been placed on the Agency's financial statements for 2015. 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 2017, as contained in GOV/2016/29, the Group notes that €2.6 million will be integrated into the Regular Budget for 2017, under Major Programme 4, which together with an additional €0.4 million from re-prioritization efforts within Major Programme 4, will fully fund, in the Regular Budget, the cost of the provisional implementation of Iran's Additional Protocol as of 2017. The Group also notes that remaining €2.2 million, which is the inspector costs associated with the verification and monitoring of Iran's nuclear-related commitments as set out in the JCPOA, will be integrated into the Regular Budget on a linear basis ( i.e €1.1 million each year) over the two years of the next biennium 2018-19.

3.3. The Group appreciates that consideration has been given by the Chair to elements put forward by the G-77 and China. While expressing its agreement with your proposals contained in the above referred proposal, the Group notes that the Secretariat is requested to place an appropriate emphasis on the activities directly related to the implementation of the Sustainable Development Goals (SDGs) during the preparation of the Programme and Budget Proposal 2018–2019. The Group believes that this should be done in a way that responds to its calls for balance between promotional and non-promotional activities, in line with the statutory objective of the Agency which seeks to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. In this context, the Group also requests the Secretariat to brief the Member States about its actions in this regard, at an appropriate time well in advance of the presentation of the Programme and Budget Proposal 2018–2019.

4. The Group remains concerned over the asymmetry between the promotional and non-promotional activities of the Agency, and therefore believes that sufficient funding from the Regular Budget must be secured for Major Programmes 1, 2 and 6 in order to respond to the growing needs of developing countries.



The Group requests the Secretariat to present to Member States, an informed assessment, on whether Major Programme 6 is funded appropriately, through the Regular budget, to deliver Technical Cooperation Programme that meets the needs and requirements of all Member States.

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/2016/25 and the Budget update proposals contained document GOV/2016/29 and recommends their adoption.

Thank you, Mr. Chairman.