



STATEMENTS OF THE G-77 AND CHINA DURING THE IAEA BOARD OF GOVERNORS, FROM 7-11 JUNE 1999 DELIVERED BY H.E. AMBASSADOR YOGESH M. TIWARI, PERMANENT REPRESENTATIVE OF INDIA

### **Agenda Item 2 - The Annual Report for 1998**

The Group of 77 and China wishes to commend the Secretariat for the well documented and lucid presentation of wide-ranging activities of direct relevance to developing countries in the Annual Report for 1998.

The Group of 77 and China is pleased to note the activities of the Agency in the application of nuclear techniques in diverse areas, including, inter-alia, water resources development and management, food and pesticide control, human health and industrial applications, and physical and chemical sciences. The use of isotope techniques in combination with other hydrological studies in solving practical problems related to the assessment and management of water resources through the two Model Projects in some 16 countries of Africa since 1995 is especially welcomed and, in this regard, the Group notes with satisfaction the completion of the first phase of the northern Africa project. The Group also expresses satisfaction on the CRPs completed in this area, and welcomes further activity by the Agency in helping Member States in the crucial task of identifying and providing clean water sources. In this connection, the Group expresses appreciation of the efforts of the Agency in promoting nuclear technology for desalination.

The initiation and equipping in the Agency's laboratories at Seibersdorf of a FAO/IAEA training and reference center for food and pesticide control to fulfil the requirements for implementing international standards and agreements relevant to food quality and safety centre is laudable. However, the Group encourages the Agency to also emphasize the needs of the developing countries in meeting such international requirements.

It should also be stated that safety is an important factor in the promotion of nuclear energy and nuclear techniques. The Group notes with appreciation the efforts of the Agency towards assisting Member States in establishing and strengthening their nuclear safety infrastructures. Further, the Group also appreciates the extensive technical support devoted to the Model Project on upgrading radiation protection infrastructures to prepare technical documents for use in more than 50 Member States receiving assistance under the Model Project. The Group also welcomes the development of the software Regulatory Authority Information System (RAIS) used by more than 35 Member States.

The report notes that nuclear power continued to contribute about 16% to the overall total world electricity production and that planning for the expansion of nuclear power continued, particularly in developing countries, which have the largest number of nuclear plants currently under construction. The Group of 77 and China feels that the importance of nuclear energy, as a component in any future energy mix, particularly for developing countries, must be taken into account by the Agency when planning its future programmes. Small and Medium sized Reactors are of particular interest for electricity generation in countries with small electricity grid capacities and the Group notes with satisfaction the support provided by the Agency in this regard and thanks the countries which provided educational simulators for SMRs. The Group notes with appreciation the initiative taken by the Secretariat in fostering information on nuclear energy as an option for implementing the Clean Development Mechanism envisaged under the Kyoto Protocol.

Before concluding, Mr. Chairman, the Group would like to suggest changing the format of the Annual Report. The Group takes note that, at present, the Annual Report follows the format of the Programme and Budget document. However, the Group believes that it would be easier for the general public to follow and

appreciate its contents if it is presented on thematic basis of the three categories of the Agency's activities, rather than pillars.

Thank you, Mr. Chairman.

### **Agenda Item 3 - Technical Co-operation**

The Group of 77 and China congratulates the Secretariat for the preparation of the document GOV/1999/29 on the Technical Co-operation Report for 1998 and the Strengthening of the Agency's technical co-operation activities.

Mr. Chairman,

The Group expresses its satisfaction for the successful achievements of the Secretariat on the progress made in 1998 in implementing the new strategy designed for Technical Co-operation, as well as in successfully overcoming the crisis of non-availability of the required financial resources for this purpose. We would like to recognize the positive performance of TC activities in 1998 and, for this goal the efforts made by the DG Dr. ElBaradei, the DDG Dr. Qian and the staff of the Technical Co-operation Department.

The Group reiterates its support to the Model Project concept. In this regard, there has been progress in the introduction of model projects in the recipient countries and in the extension of its objectives.

The Group of 77 and China is of the opinion that technical co-operation is more efficient when it is fully integrated in to National Development Plans, therefore it would encourage the Agency to continue working in that direction. At the same time, the Group supports the efforts to widen the domain of Thematic Plans and a differentiated and flexible approach for the introduction of Country Programme Frameworks in the preparation of the Technical Co-operation Programme for 1999 - 2000.

The Group underlines the need of increasing technical co-operation among developing countries through different mechanisms, like the so called "Regional Resource Centres" according to Resolutions GC(41)/RES/13 and GC(42)/RES/15.

Mr. Chairman,

The Group of 77 and China would like to express its satisfaction with the framework of co-operation and co-ordination between the Agency and the current Regional Co-operation Agreements AFRA, ARCAL and RCA and also for the co-operation initiated properly among those agreements.

It is appropriate to underline the progress achieved in building partnerships with non-traditional funding organizations and the improved impact of TC projects through partnerships with the operational activities of other organizations. We invite the TC Department to further intensify efforts in exploring different extra budgetary resource options.

Mr. Chairman,

The Group of 77 and China would like to congratulate the TC Department for the high implementation rate achieved in 1998. Also, we welcome the positive developments in the financing of the Technical Co-operation Fund, including the efforts made by the developing countries in order to pay their contributions and the higher number of Member States pledging to the TCF.

The Group fully supports the view that a great deal of credit must be given to the traditional donors to the TCF as well as to the countries now pledging for the first time. Finally, let me express on behalf the Group of 77 and China our appreciation to those large donor countries which continue to fully honour their pledges to the TCF and to those countries which have demonstrated their support to the TC activities by their increase of payments. The Group also urges major donors to follow suit and fulfil the commitments to the TCF thus rendering its resources predictable and assured as called upon in the consecutive General Conference resolution.

Thank you Mr. Chairman.

#### **Agenda Item 4: Report of the PBC**

At the outset, the Group of 77 and China, would like to commend the Secretariat for the preparation of document 1999/NOTE/11, and to thank the DDG for Administration, Mr. Waller for the presentation of this Agenda item.

Mr. Chairman,

The G-77 and China, has considered the new document containing new budgetary adjustments and additional advice from the Secretariat on a number of issues raised during the May meeting of the PBC, and would like to make the following comments:

1. The Group's views converge with those of the Secretariat in considering that on the basis of the new adjustments and after many years of adherence to the policy of ZRG "there is now little scope in the Agency's budget for further savings without negative impact on the Agency's ability to carry out the proposed activities". We urge all our partners who have all the time shown their commitment to the Agency's mandate and who had in May some difficulties with the proposed budget to join the consensus and allow its adoption.
2. From our Part and as stated by the Group during the PBC meetings, even though the proposed budget doesn't satisfy all our requests, nor does it respond adequately to all our expectations, we have expressed our readiness to support it, and thus fulfilling our commitments expressed during the debates, last year, on the biennial programme 1999-2000.
3. The position of the Group regarding the excessive reliance on extra-budgetary resources to fund core activities of the Agency is well known to the other delegations. While having no major problem with the funding from the regular budget of some discretionary activities in the nuclear weapon states, we note that this will require that other items would have to be moved out from the regular budget to the uncertain "URPA". As mentioned in the document, should the necessary resources to finance these items not become available, implementation of technical improvements in the safeguards activities may be delayed.
4. We take note of the revision of price adjustment for professional salaries, and subsequently of the reduction of the overall price adjustment from 1.5% to 1.1%, bringing the increase in the proposed budget over 1999 budget to the proportionally low amount of 2.5 million US dollars. We hope that this new development will facilitate the adoption of the budget on a consensual basis.
5. The Group believes that a new programmatic approach for the preparation of the budget should be envisaged. In fact, we should concentrate on the programmes, the priorities and the activities that we would like the Agency to carry out during the period covered by the budget.

The task of the Secretariat would be to evaluate the financial resources necessary to implement these priorities. In other words: we should start with the programme and the budget should follow, not vice versa.

The discussions on the Medium Term Strategy and on the biennial programme, as was before the debate on the SEG Report, constitute an adequate occasion to identify such priorities.

In conclusion it is the belief of the Group that the Agency is worth being liberated from the debate on artificial restrictions which may slow down the development of its activities, and hamper the fulfillment of its mandate in the field of peace and security as well as the sustainable development in the benefit of human kind all around the world.

In a spirit of compromise, the Group is again ready to adopt the proposed budget, including the new adjustments, as contained in document GOV/1999/39.

Thank you, Mr. Chairman.

## **Agenda Item 5: Medium-Term Strategy**

The Group of 77 and China appreciates the efforts of the Secretariat in preparing the Draft Medium-Term Strategy and would like to thank the Deputy Director General of Administration for introducing it. The description of work of the Agency in document GOV/1999/37 provides a better picture in a single house approach of the programme.

The Group is happy to note that the Medium-Term Strategy reflects, in general, the points of view expressed by its members on various issues. The importance attached to Technology, which cuts across a number of disciplines is, indeed, welcomed as it highlights the role of nuclear sciences and applications as well as of the transfer of technology through the vehicle of technical cooperation programme. In this context the Group fully supports the establishment of "Regional Resource Centres" for the exchange of expertise among developing countries.

The Group appreciates the emphasis on the promotion of nuclear power as a climate - friendly source of energy and endorses the development of new and emerging applications, such as small and medium size reactors for electricity generation and heat production as well as for sea water desalination. There is no doubt that Nuclear Safety is a very important area if nuclear power is to be given its rightful place as one of the major sources of energy. The Group is in favour of the priority attached to the exchange of information for improvement of nuclear safety and for the development of effective world-wide safety culture. It also recognizes Safeguards as one of the important Agency activities but has always been of the view that the delicate balance between the promotional and verificational activities should be maintained.

The Group of 77 and China acknowledges the benefits of external synergies with other international organizations and the private sector but there is some concern that the main priorities of the developing world may not be addressed by organizations with limited membership composed of developed nations. Besides, equal access should also be extended to all Member States of the IAEA to any documentation or information resulting from such cooperation. An important issue totally bypassed in the document is the implementation of the proposed strategy. The means required for the successful implementation, i.e. the question of budget and resources needs to be addressed in a realistic manner.

In the end, Mr. Chairman, let me say that the document on this agenda item is very important as it would determine the future programme of the Agency. However, it was received only three weeks ago and our capitals did not have enough time to study it in detail. The Group, therefore, reserves the right to re-visit the issue at a later date.

Thank you, Mr. Chairman.

## **Agenda Items 6 (c): IAEA Verification of Fissile Material Designated as Excess by the Russian Federation and the United States of America and 6(d): Financing IAEA Verification of Nuclear Arms Control and Reduction Measures**

Mr. Chairman,

The Group of 77 and China takes note of the information provided on documents GOV/INF/1999/8 and GOV/INF/1999/9 regarding the progress on verification arrangements being negotiated between the Russian Federation, the United States of America and the IAEA and also the report on possible financing of IAEA verification of nuclear arms control and reduction measures.

The Group appreciates any initiatives which are perceived as concrete steps leading towards a world free of nuclear weapons.

Without referring to the agenda items in question, the Group had always in general voiced its concern regarding jeopardizing the existing delicate balance between the funding of promotional activities through technical cooperation and funding of verification activities. It should be recalled that the Technical Co-

operation Fund, which is considered very important for the purpose of technology transfer, has continuously been struggling to be predictable and assured.

Finally, Mr. Chairman, the Group would appreciate to receive further clarifications on the mandate and the activities to be carried out prior to discussing all options for financing.

Thank you, Mr. Chairman.

### **Agenda Item 8: Amendment of Article VI of the Statute**

The Group of 77 and China would like to express its deep appreciation to the Chairman of the Board for the intensive consultations he has undertaken in response to last year's General Conference Presidential Statement urging the Board to redouble its efforts to achieve a solution to this long-standing issue, taking into account the progress achieved so far.

The Group equally appreciates the efforts made towards resolving the issue of the composition of regional groups. We are hopeful that a fine tuning could be found to the question of the expansion of the Board, in order to rectify the under-representation of developing countries on the Board and preclude against any diminution or retrogression in frequency of their election to the Board.

The Group is ready to work with the Chairman of the Board of Governors and with other delegations in order to facilitate the submission of a formal finalized formula to be adopted by the next General Conference.

Thank you Mr. Chairman.