



STATEMENT OF THE G77 AND CHINA DURING THE FIFTH MEETING OF THE INFORMAL OPEN-ENDED PROCESS OF MEMBER STATES TO DISCUSS THE FUTURE OF THE IAEA, DELIVERED BY MS. MARÍA DE LOS MILAGROS DONA RABALLO, CHARGÉ D'AFFAIRES, PERMANENT REPRESENTATIVE OF ARGENTINA ON 29 JUNE 2009

Madam Chair,

The points raised in the Group's statements during the previous four sessions of this Working Group remain relevant.

Madam Chair,

Even though it is not an aid agency, the IAEA according to its Statute has a clear mandate in the field of development. In fact, this first pillar, the promotion and expansion of nuclear science and technology for "peace health and prosperity", is the *raison d'être* of the Agency according to the Statute (Articles II and III on Objectives and Functions). All Member States joined the Agency on the understanding that it aims to promote nuclear technology for peaceful uses.

Therefore, the Group wishes to reiterate the paramount importance it attaches to the Agency's technical cooperation activities. As stipulated in Article II of the Statute, these activities are the main statutory vehicle to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. These activities also contribute towards the attainment of the Millennium Development Goals.

The Group strongly emphasizes that the promotion of peaceful applications of atomic energy constitutes the cornerstone of the statutory role of the Agency, and, as highlighted in INFCIRC/267, the provision of the technical assistance constitutes a major high-priority function of the Agency and the responsibility for its success devolves on all Departments of the Secretariat.

The Group has previously indicated that this exercise may provide an excellent platform to tackle some recent developments and trends such as:

- a) The manner in which TCF Targets and Indicative Planning Figures are negotiated, the voluntary nature of TC funding, and the inherent obstacles therein.
- b) The chronic lack of necessary funding for particular activities, especially those with a humanitarian and developmental aspect.
- c) Attempts aimed at discouraging Member States from exercising their rights to develop national capabilities in certain nuclear activities based on the alleged sensitivity of these certain activities.
- d) The continued imbalance, in both absolute and relative terms, in the resources made available to the three pillars, especially in the case of TC.
- e) The politicization of TC activities and interference by some Member States in the work of the Secretariat as well as in the national priorities of recipient Member States themselves.
- f) The growing tendency by the Secretariat upon the impetus of some Member States to use the Agency's nonbinding guidelines as binding requirements dictating the policies or priorities that each and every Member State has to follow in its nuclear activities, especially those policies and priorities related to the launching or operating of nuclear power programmes.
- g) The lack of strict equitable application of the Due Account Mechanism.
- h) The continued projection of the Agency as a so-called "nuclear watchdog"- a trend which misrepresents and undermines the primary role of the Agency in promoting nuclear science and technology.

Madam Chair,

The Agency will not be able to achieve its key Statutory function if Member States fail to ensure that the Agency's resources for technical co-operation activities are sufficient, assured and predictable (SAP) as called for by the General Conference resolutions, and in particular Operative Paragraph 3 of resolution GC(52)/RES/11 that requests the Secretariat to continue to work in consultation with Member States towards establishing means, including mechanisms, that would achieve the goal of making TC resources sufficient, assured and predictable (SAP).

The Group is highly concerned that a large number of technically feasible projects are assigned the footnote a/ status because of lack of funds, which clearly illustrates that much remains to be done to meet the demonstrated needs of member states.

The expression of interest in pursuing the nuclear power option by a large number of developing countries, and the plans for expansion of nuclear power programmes by some other developing countries, once again highlights the need for the TC programme to sufficiently cater to this rise in demand in the future.

The Group believes that it is crucial that Member States contribute their TCF shares in full and in a timely manner. The strict adherence to the application of the Due Account Mechanism is also an essential measure. Some additional innovative measures could be envisaged to remove the voluntary nature of TC funding.

Technical cooperation, which is the vehicle through which the Agency implements its role in promoting the use of nuclear science and technology, totally rely on un-assured extra-budgetary funding. This considerably limits the capabilities of the Agency in planning and implementing projects and responding to the growing needs of Member States. It is about time to rectify this situation. One of the necessary outcomes of our discussions on the future of the Agency would be a concrete resolution on the financing of TC.

As an interim measure, the Group proposes the establishment of a new formula to determine the minimum increase of the TCF target in each cycle, in order to enhance the predictability of resources and to avoid the repeated burdensome and problematic negotiations on this matter. For example, an agreement can be reached to the effect that, as from 2012, the TCF will, as a minimum, increase by the average of the overall increase in the regular budget and the zero real growth figures, but this increase will not be less than the figure determined for price adjustment for the budget as a whole. Such an increase would be valid for a period of two years, after which, it will be adjusted again in accordance with this formula.

The Group also reiterates its call for adequate resources from the regular budget to alleviate the increasing burden faced by the TC Department. The Group believes that the activities under the TCP should explicitly focus on the promotional aspects of nuclear science and technology. Therefore, the Group reiterates that activities such as fuel repatriation or core conversion from HEU to LEU are not promotional activities, and stresses that the cost of the management of such projects, including staff support costs, should be fully financed through the Nuclear Security Fund and other extrabudgetary resources.

Madam Chair,

The Group firmly believes, as emphasized in the Agency's well-established guidelines contained in INFCIRC/267 that the Agency's resources for technical assistance shall continue to be allocated primarily to meet the requests of developing countries. The Group supports all initiatives that contribute to achieving these objectives in all developing countries through the established programmatic approach.

The Group remains confident that the Secretariat continues to develop the TC programme based on Member States' requests in a professional, impartial and non-discriminatory manner following the well-established process, in line with the Agency's Statute and in accordance with the decisions of its policy making organs. It is fundamental for the credibility of the Agency that technical cooperation assistance as stipulated in Article III C of the Agency's Statute is not subject to any political, economic, military or other conditions

incompatible with the provisions of the Agency's Statute.

While the Group considers the Country Programme Framework (CPF) as one of the programming tools that could be employed in planning the TCP, it reiterates that the CPF is a non-binding document and shall not be the definitive reference to screen Member States TC projects or to prevent them from participating in TC activities. The limited timeframe of the CPF also means that it is a static document that will not be able to capture the evolving needs and change in priorities of Member States from developing countries over that period. Since Member States require sufficient time and adequate attention to draw up their individual country's development plans, the Group therefore does not accept the imposition of artificial deadlines for the submission of CPFs.

The Group stresses that the supply of equipment is a statutory responsibility of the Agency, as stipulated under Article XI.C Requests for supply of equipment that are essential for the successful implementation of some TC projects are a legitimate component of any TCP.

Madam Chair,

The Group of 77 and China attaches importance to the regular evaluation of the implementation of the Agency's TC activities. The Group believes that such evaluations constitute an effective means to assess the Agency's capability to fully achieve the ultimate goals of transferring nuclear technology for peaceful uses and promoting socioeconomic development in Member States.

With regard to the mechanism for monitoring and assessing project progress, the Group believes this generic tool can be built-in through the PCMF platform.

The Group, as a matter of principle, supports every action aimed at strengthening the capacity of the Agency to fulfill its statutory functions. However, the Group stresses that thematic planning must be carried out with the full involvement of Member States. The Group believes that any tool for identifying services and technologies with special value should be more comprehensive and should involve at all stages the participation of the concerned Member States and of the technical departments as well as the regional divisions of the TC Department.

The Group would like to stress that extreme caution needs to be exercised against the application of a unified United Nations approach for development, since it might have negative implications for the financing and delivery of the Agency's TC programme.

Endeavors pertaining to streamlining, building partnerships, outsourcing, or "delivering as one" must not jeopardize or reduce the capabilities and resources available to the Agency for activities related to the first pillar. Although a certain degree of streamlining could be desirable, the Agency needs to maintain, and in fact enlarge, activities related to its unique core competences and to be able to independently implement its statutory functions and respond to the requests of Member States. Therefore, the Group finds it absolutely necessary that the Agency maintains a sufficient level of in-house expertise and capabilities in all areas of nuclear technology. The Group would like to highlight the uniqueness of the Agency in promoting the peaceful and safe uses of nuclear energy. The Agency is the only autonomous international organization that possesses the necessary experience and capabilities to fulfill this mandate. The Group emphasizes that the role of the Programme Management Officer (PMO) as the interface between the Agency and Member State is crucial since the PMO acts as the in-house coordinator between the various technical departments and is the key person who has the overall view of the TCP to ensure its successful implementation. In this regard, the Group has the strong view that the establishment of regional offices of the Agency is counter-productive and would erode the efficiency and effectiveness of the TCP. It should be recalled that this approach was attempted in the past. It was stopped when its weaknesses became apparent.

The Group notes that there have been repeated attempts to push for a TCP that caters primarily to least

developed countries (LDCs). The Group believes that the well-established guidelines, and the programmatic approach, sufficiently cater for the different needs of each Member State according to its requests. All Member States are equally entitled to avail themselves of the TC funding, subject to the criteria established under the guidelines, including INFCIRC/267.

Madam Chair,

The Group deems it necessary for the Agency to maintain an adequate balance between promotional activities carried out through the Technical Cooperation Programme, and its other statutory activities. The Group stresses the need to strengthen TC activities and continuously enhance the effectiveness and efficiency of the TCP in accordance with the requests and needs of Member States. The Group equally emphasizes that all measures taken and policies adopted in this regard should preserve and enhance the ownership of TC projects by developing countries.

Madam Chair,

Reaching a fruitful outcome for our discussions largely depends on having a common recognition that TC, being an inclusive programme, benefits all Member States. Thank you Madam Chair.