



STATEMENT OF THE G77 AND CHINA DURING THE SIXTH MEETING OF THE INFORMAL OPEN-ENDED PROCESS OF MEMBER STATES TO DISCUSS THE FUTURE OF THE IAEA, DELIVERED BY H.E. AMBASSADOR EUGENIO MARÍA CURIA, PERMANENT REPRESENTATIVE OF ARGENTINA ON 3 SEPTEMBER 2009

Mr. Chairman,

The Group of G77 and China would like to express its sincere appreciation for the efforts of Ambassador Kauppi, the outgoing Permanent Representative of Finland, in steering the work of this informal Working Group. The Group would also like to express its satisfaction in seeing you Ambassador Guerreiro Permanent Representative of Brazil ably chairing the Working Group.

The Group reiterates its support for all efforts directed toward enhancing the work of the IAEA in all its aspects, within its legal authority under the Statute, bearing in mind the basic and inalienable right of Members States to engage in research, production and use of nuclear energy for peaceful purposes without discrimination.

While the Group is fully aware of the importance of nuclear safeguards and safety, it strongly rejects the attempts by some Member States to reverse the order of priorities of the Agency by giving primacy to safeguards and safety considerations in a manner that leads to the restriction of the promotional role of the Agency.

The Group deems it necessary for the Agency to ensure an adequate balance between promotional activities, including the Technical Cooperation Programme, and its other statutory activities. However, to our disappointment this principle of balance was never observed. To illustrate this, the Group recalls the complete disregard shown to the package agreement reached in 2003 during TCF negotiations in subsequent years. The Group hopes that the agreement reached towards this during 2009 budgetary negotiations will be honoured in future by all Member States.

Mr. Chairman,

The Group fully recognizes that the application of safeguards achieves invaluable common benefits to all Member States. The Group, however, stresses that the limited financial resources of developing countries and the differentiated nature of obligations undertaken by Member States should be fully recognized and respected in all areas of the Agency's work.

In this context, the Group would like to recall previous agreements reached in 2003 and the recent agreement in 2009 on achieving a balance and establishing a link between the increases for the resources of the regular budget on the one hand and the resources of the Technical Cooperation Fund (TCF) on the other.

The Group recalls that the 2003 package had also established a de-shielding mechanism designed to eliminate the differentiated nature of financial obligations of developing countries vis-à-vis safeguards financing.

The Group also recalls that the 2009 package has mandated a working group to consider priorities and resource requirements and address the Agency's Budget taking into account, inter alia, safeguards financing.

The Group finds it necessary to urgently examine the distribution of safeguards related costs and the equitability of such distribution among Member States. In this regard, the Group reiterates that the current

shielding mechanism must be revisited in order to protect the developing countries against the subsequent excessive financial burdens resulting from the ever increasing safeguards costs.

Furthermore, the Group requests the Secretariat to provide a detailed breakdown of safeguards implementation costs by Member State, as well as each Member State's contribution to safeguards financing for the year 2009. This will help to clarify the current distribution of financial burdens among Member States and facilitate an informed examination of possible arrangements and modalities to improve the equitability of this distribution in the future.

Mr. Chairman,

The Group stresses the crucial importance of preserving the confidentiality of all information related to safeguards implementation and finds it necessary for the Agency to work on enhancing and strengthening the rules and modalities aiming at preserving this confidentiality. In this context, the Group is of the view that reliance on cost-free experts in the area of safeguards comes at the possible risk to the confidentiality of safeguards-related information. Therefore, the Group finds it necessary for the Agency to minimise as much as possible the reliance on cost-free experts in the area of safeguards with a view to totally eliminate such reliance.

The Group is of the view that the hiring of outside experts and external organizations for research and analysis of open source technical and scientific literature and information would not be in line with Agency's mandate and would lack legal basis. Confidentiality of safeguards related information could be compromised by hiring of external experts. In addition to that, correctness of open source information and its analysis can never be guaranteed. Moreover, element of bias cannot be excluded when external organisations involved in this field are engaged.

The Group is of the view that the disproportionate focus on safeguards and non-proliferation issues has resulted in the Agency being known as a "nuclear watchdog" and has overshadowed the main activities of the Agency in promoting peaceful applications. In this regard, the Secretariat's description of the Agency's role "as the world's nuclear inspectorate" on its website and in its publications encourages such distorted perceptions. The Group would therefore like to see greater efforts being made under the Agency's Programme on Public Information and Communication to give a more balanced image of the Agency. The Secretariat is encouraged to report on these efforts and the results thereof.

The Group underscores that all Member States of the Agency in the context of their respective legal obligations conclude safeguards agreements with the Agency to ensure that assistance is not used in such a way as to further any military purpose. Having undertaken these obligations, there is no basis for excluding any technologies from the Technical Cooperation Programme based on the assumption that these technologies are regarded as having proliferation risks. The Group also notes with concern that there have been cases in which some of the Agency's documents assumed that access to certain peaceful nuclear technologies represents a threat to international peace and security.

The Group reiterates the need to support national programs in developing countries that are interested in building up their safeguards analytical capabilities. In this context more safeguards laboratories in developing countries should be encouraged to form part of the Agency's network of analytical laboratories (NWAL).

With these remarks, the Group looks forward to engaging in the constructive discussions of this session, and assures you, Mr. Chairman, of its full cooperation.

Thank you.