



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA DURING THE FORTY-NINETH SESSION OF THE PREPARATORY COMMISSION, DELIVERED BY H.E. AMBASSADOR REZA NAJAFI, PERMANENT REPRESENTATIVE OF THE ISLAMIC REPUBLIC OF IRAN, 13-15 NOVEMBER 2017

Vienna, 13 November 2017

Mr. Chairman,

1. The Group of 77 and China would like to thank you, Ambassador Othman for convening this meeting and also assure you of its continued cooperation and support.
2. The Group would also like to thank Mr. Lassina Zerbo, the Executive Secretary for his opening remarks. The Group takes note of the Executive Secretary's report on non-verification related activities of the Provisional Technical Secretariat (PTS) from April to August 2017.

Mr. Chairman,

3. The Group takes note of the recommendations of the Advisory Group's recommendations as contained in document CTBT/AG-49/1. The Group appreciates the Advisory Group's efforts and expertise in providing observations, conclusions and recommendations on issues related to the associated administrative, budgetary and financial matters.
4. The Group notes the final draft 2018-2019 Programme and Budget proposals as contained in document CTBT/PTS/INF.1390/Rev.1. The Group would like to thank you and the PTS for convening timely informal consultations on the draft programme and budget proposals, which have enabled State Signatories to seek clearer understanding and clarification on the updates in the final proposals. While the Group notes that the final draft programme and budget proposals has incorporated recommendations made by the Forty-Eight Session of the Advisory Group and the Fifty-First session of WGA as well as at informal briefings to WGA, the Group would like to reiterate some of its earlier position and make the following comments:
 - 4.1 The Group takes note of the changes to budget allocations in the final programme and budget proposals. While the Group appreciates the addition of Appendix II on the summary of projects and activities that would benefit from additional funding, the Group strongly underlines the importance to promote a balanced approach and appropriate allocation of resources among the three dimensions of the verification regime namely the International Monitoring System, the International Data Centre and On-Site Inspection;
 - 4.2 The Group strongly views that capacity building activities aimed at increasing the capabilities of States Signatories to participate in the verification regime should be funded in a sufficient manner through the Regular Budget. The Group takes note of the PTS' proposal to rename the Multiyear Funds "Capacity Building through On-Site Inspection (OSI) Exercise and Inspectorate Development Fund" as "Capacity Building Fund" (CBF). The Group would like to seek further clarification on the implication of such changes;
 - 4.3 The Group commends the PTS for its efforts to implement efficiencies and savings during the period 2018-2019 and urges the PTS that these savings should not compromise the capacity building activities especially for developing countries;
 - 4.4 The Group recognizes the following elements must underpin the consideration of this programme and budget:

- 4.4.1 The current well advanced status of the verification regime;
- 4.4.2 The mandate of the Preparatory Commission on the provisional operation of the system;
- 4.4.3 The actual prospects of entry into force of the Treaty;
- 4.4.4 The need to minimize the financial burden borne by States Signatories.

4.5 The Group reiterates that the MTS is a non-binding internal planning tool for the PTS in designing its programs and undertaking its activities for the programme and budget cycles. The Group further reiterates that the MTS is not a document adopted by the Commission and therefore any reflection of the MTS should be for solely informational purposes. The Group requests that the reference to the MTS as contained in the document CTBT/PTS/INF.1390/Rev.1 be amended accordingly to the proposals as circulated by the PTS upon the request of the Chairperson of WGA through a Note Verbale dated 19 October 2017, following the PTS' informal consultations with the Group;

4.6 The Group takes note of the 2017 General Fund Budget transfers within Major Programmes, within the limit of 15 percent that had been approved by the Executive Secretary in September 2017. The Group further takes note of the justifications for the budget transfers;

4.7 The Group takes note of the decision as contained in document CTBT/PTS/INF.1416 on the carry forward of the Capital Investment Fund (CIF) and Multiyear Funds unspent balances of 31 December 2017 to the financial period 2018;

4.8 The Group notes the challenges faced resulted from the lack of any increase in the level of the CIF after the next biennium and would appreciate receiving further information on how the challenges could be addressed in the budget cycle.

5. Finally, the Group looks forward to a constructive deliberation and timely conclusion of the work of this Working Group.

Thank Mr. Chairman.