



STATEMENT BY THE GROUP OF 77 AND CHINA DURING THE FIFTY-FIRST SESSION OF WORKING GROUP A, 29-31 MAY 2017, DELIVERED BY H.E. AMBASSADOR REZA NAJAFI, PERMANENT REPRESENTATIVE OF THE ISLAMIC REPUBLIC OF IRAN

Mr. Chairman,

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 further expresses its appreciation to the Secretariat for the advance distribution of three reports of the Executive Secretary and would like to take note of these reports as follow:

2.1 Report of the Executive Secretary on the verification related activities for the period from July to December 2016;

2.2 Annual Report 2016;

2.3 Report of the Executive Secretary on non-verification related activities for the period January to March 2017.

Mr. Chairman,

3. On the review of Advisory Group's recommendations as contained in document CTBT/AG-48/1, the Group appreciates the Advisory Group's efforts and expertise in providing necessary observations, conclusions and recommendations on issues related to the administrative, budgetary and financial matters. The Group takes note of the report of the Advisory Group at its 48th session.

4. On the financial statements of the Preparatory Commission, the Group takes note of the External Auditor's report and its recommendations aimed at strengthening the implementation of Major Programmes in the Preparatory Commission. The Group welcomes with appreciation the unqualified audit opinion of the External Auditor.

Mr. Chairman,

5. The Group notes the initial draft Programme and Budget proposals for the biennium 2018-2019 as contained in document CTBT/PTS/INF.1390 and Corrigendum 1. The Group welcomes and appreciates your continuous efforts in convening regular informal consultations on draft Programme and Budget as these consultations provide opportunity for State Parties to have more exchanges of views and substantive discussions on the budget proposals.

6. Following these informal consultations, the Group would like to make the following comments:

6.1 The Group notes that the proposed 2018 budget of USD 131.96 million which was slightly less than zero real growth while the 2019 budget was estimated at USD131.85 million. The Group further notes that 80.18 percent of the budget was for verification related activities;

6.2 The Group recognizes the following elements must underpin the consideration of this programme and budget:

6.2.1 The current well advanced status of the verification regime;

6.2.2 The mandate of the Preparatory Commission on the provisional operation of the system;

6.2.3 The actual prospects of entry into force of the Treaty;

6.2.4 The need to minimize the financial burden borne by States Signatories;

6.3 The Group appreciates the savings and reprioritization of USD8.8 million by the PTS, but would like to

reiterate the importance in ensuring any savings do not jeopardize the efforts by the PTS towards the effective strengthening of capacity-building and training activities, which aim at increasing the capabilities of States Signatories to participate in the verification regime. Therefore, the Group reiterates its position that capacity building activities should be funded in a sufficient manner through the Regular Budget. The Group requests the PTS to continue providing information and organizing briefings on this subject during inter-sessional periods;

6.4 The Group strongly underlines the importance of promoting 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. In this regard, the Group appreciates receiving more information on the process, mechanism and principles applied to pursue savings and reprioritization of activities;

6.5 The Group notes that the Medium-Term Strategy (MTS) is an internal strategic planning tool which provides useful guidance to the PTS in designing programs and undertaking its activities for the next programme and budget cycles. In view that the MTS is not a document adopted by the Commission and is non-binding in nature, the Group views that any references to the MTS throughout the text of draft Programme and Budget document should be changed accordingly. In this context, the Group takes note of the recommendation to the Executive Secretary contained in paragraph 43(2) of the report of the 48th session of Advisory Group.

6.6 The Group welcomes PTS' initiative to implement the Integrated Logistics Support (ILS) as part of its continuous efforts to streamline and rationalize its functions. The Group appreciates receiving elaboration on the implementation of ILS, particularly on ways it could contribute to the achievement of greater efficiency and savings;

6.7 The Group appreciates receiving further information on the benefits gained by the PTS from the implementation of multiyear funds.

7. On the human resources in the Provisional Technical Secretariat (PTS), the Group reaffirms its principles of equitable geographical distribution and gender balance among the staff of the Organization particularly at the Professional and higher levels, as important considerations in the recruitment process. The Group encourages the PTS, under the leadership of the Director of Human Resources, to continue its effort to improve the representation of staff in accordance with the above principles. The Group further requests the PTS to provide, in its future human resources' reports, more information on staff recruited and separated from PTS according to their respective nationalities during the reporting period.

8. On the Summary of Internal Audit activities in 2016, while acknowledging the positive work undertaken by the internal audit section, the Group expresses its concern over the shortage of staff in the section. The Group further requests the PTS to address this issue, as a matter of priority, in order to improve the effectiveness of internal audit function and to ensure timely implementation of all outstanding recommendations of the internal audit.

9. On the appointment of the External Auditor to the Preparatory Commission for the financial periods 2018-2019, the Group would like to thank the Provisional Technical Secretariat's briefing on its undertakings for selection of qualified External Auditor candidates. In this regard, the Group wishes to express its strong support to the candidature of the Office of the Auditor General of Thailand and looks forward to approve the appointment of this candidature at the 48th session of the Preparatory Commission in June 2017.

Thank Mr. Chairman.