



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE IAEA INFORMAL PROGRAMME AND BUDGET COMMITTEE MEETING, 25 MAY 2018, DELIVERED BY H.E. AMBASSADOR JUAN ANTONIO FERNÁNDEZ PALACIOS, PERMANENT REPRESENTATIVE OF CUBA

**The Agency's Draft Budget Update for 2019**

Mr. Chair,

1. The Group would like to thank the Secretariat for issuing the working paper on the Agency's budget update for 2019 contained in document 2018/Note 40 and the additional information contained in documents 2018/Note 41 and 2018/Note 42.
2. The Group highlights that these documents were only provided to Member States in less than two working days prior to this meeting. In this regard, the Group's views expressed today are of a preliminary nature as it is still studying the proposal more carefully.
3. Furthermore, the Group notes that there is still a lack of essential details regarding the adjustments to major programmes, the crosscutting savings and efficiencies, that have now replaced the one-time special measures. The Group urges the Secretariat to provide the breakdown of the crosscutting savings and efficiencies in the form of an Annex 2 document.
4. Regarding paragraphs 10 and 11 of the Working Paper, the Group is of the view that there should be no negative impact on the programmatic delivery to Member States and on the participation in Agency activities of experts from developing countries. The Group urges the Secretariat to reflect this principle in the Working Paper accordingly.
5. The Group reiterates its position on the price adjustment as expressed in the last formal PBC meeting. In this regard, the Group notes that previous programme and budget documents, such as the one contained in GC(53)/5, present a breakdown of regular budget expenditures for each item of expenditure with detailed description of the factors that impact the price adjustment and the overall regular budget growth, including the different components of staff costs. The Group calls on the Secretariat to provide such information to Member States as soon as possible and to resume this practice for all future budget cycles and updates.

Mr. Chair,

6. The Group considers that all the above requested information and modifications to the Working Paper are essential in order to reach consensus on the draft budget update.
7. In conclusion, the Group reemphasizes its readiness to continue engaging in further consultations with the Secretariat and other Member States to find consensus on the Agency's Draft Budget Update for 2019.

Thank you, Mr. Chair.