



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE IAEA INFORMAL PROGRAMME AND BUDGET COMMITTEE MEETING, ON 27 APRIL 2018, DELIVERED BY H.E. AMBASSADOR CARLOS JÁTIVA, PERMANENT REPRESENTATIVE OF ECUADOR

Mr. Chair,

1. The Group would like to thank the Secretariat for issuing the new revised proposal of the Agency's draft budget update for 2019 contained in document 2018/Note 29 and for convening today's Informal Programme and Budget Committee Meeting and for the presentation provided.
2. The Group appreciates the Secretariat's attempts with a view to reach an early consensus on the Draft Budget Update for 2019.
3. The Group would like to seize this opportunity to reiterate its principled position with regard to the Regular Budget, which calls for a balanced distribution of the budget so as to reflect the equal importance of the three pillars of the Agency, namely (a) the promotion of peaceful uses of nuclear technology, including technical cooperation, (b) safety and (c) safeguards.
4. The Group has taken note of the proposed revision of the overall price adjustment from 3.5% to 2.5%. The Group is studying this new proposal and looks forward to continue discussing the price adjustment with a view of making an informed decision at the earliest.
5. The Group is of the view that the new biennial price adjustment methodology needs to achieve predictability in the price adjustment for the following biennia as well as to reduce its fluctuations. In this regard, the Group took note of the information provided by the Secretariat during the last informal PBC meeting 23 March 2018 regarding the development of this methodology. The Group will continue studying it in further detail, and looks forward to continue engaging with the Secretariat on this topic.
6. Concerning the proposed one-time special measures, the Group is of the view that sustained efforts to minimize the increase in the overall level of the Regular Budget over 2018 should reduce expenses through continued identification of sustainable efficiencies and austerity measures, rather than delaying the agreed programmatic activities, particularly the promotional activities. In this context, the Group notes the findings contained in the OIOS 2017 Internal Audit Activity Report, in particular that three million euros per annum could have been saved during the period from 2011 to 2016 in the travel expenditures by introducing further efficiencies without reducing the essential travel expenditures which could affect the programmatic activities.
7. The Group notes that the Secretariat is proposing an adjustment to the level of reduction by each major programme through one-time special measures to ensure balance among major programmes. The Group would like to request the Secretariat to update Annex II of GOV/2018/1 containing the details of the one-time special measures in light of the revised proposal, especially how they might affect the agency's priorities as established in the 2018-2019 Budget, especially TC.
8. The Group reiterates its concern about the Secretariat's original special measures, which include reprioritization, delay or deferral of some promotional activities of the Agency and the possible implications of these measures on the activities of MP1, MP2 and MP6, in particular on the deferring recruitment to some professional positions in MP6. The Group takes note of the clarification provided by the Secretariat during the last informal PBC meeting stating that the deferral of recruiting some professional positions will not affect negatively the management of the TC activities. Yet, the Group believes it is important to have

sufficient number of staff that can continue implementing the TC activities effectively.

9. In the same context, the Group urges the Secretariat to continue providing all necessary assurances to Member States that the proposed one-time special measures will not adversely affect the quality of the expected results of MP1, MP2 and MP6.

10. 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.