



STATEMENT OF THE G-77 AND CHINA IN THE FIRST MEETING OF THE WORKING GROUP ON THE TECHNICAL COOPERATION FUND TARGETS FOR 2012-2013 AND INDICATIVE PLANNING FIGURES FOR 2014-2015, DELIVERED BY AMBASSADOR ALI ASGHAR SOLTANIEH, PERMANENT REPRESENTATIVE OF THE ISLAMIC REPUBLIC OF IRAN

Vienna, 17 May 2011

Madame and Mister Chairpersons,

The Group of 77 and China wishes to thank, Ambassador Veronika Šmigolová of the Czech Republic and Ambassador Antonio Guerreiro of Brazil, for convening this second round of consultations of this Working Group, which has the task to arrive at an agreement on the target figures for the Technical Cooperation Fund (TCF) for the biennium 2012-2013 and on the Indicative Planning Figures (IPFs) for the following biennium, 2014-2015.

As we expressed before, the Group hopes that this dialogue will be a step forward to identify the ways and means to make the Technical Cooperation Fund sufficient, assured and predictable, an issue of crucial importance for the Group.

In that regard, the Group takes note of the Proposal submitted by the co-chairs for TCF target figures for the biennium 2012-2013, and on the Indicative Planning Figures (IPFs) for the following biennium, 2014-2015, as contained in Note 34, dated 11th May 2011.

As it is expressed in the Co-chairs proposal, the Group believes that the discussions and agreements to be reached in this Working Group should be guided by the previous decisions of the Board on the funding of the Technical Cooperation Fund, which stipulated that: "With respect to the targets for voluntary contributions to the TCF, the 2005 decision to synchronize the TC programme cycle with the regular programme and budget cycle provides a framework to consider increases to the resources for the TC programme, including the TCF target, beginning in 2012. Such adjustments would take into account the changes in the level of the regular operational budget from 2009 onwards, the price adjustment in the corresponding years, and all other relevant factors".

At the first session of this Working Group, the Group of 77 and China presented an estimated TCF target figure based on the parameters established in the Board decisions. Accordingly, the Group proposed that the TCF target for 2012 should be established at a level which is proportionate to the real increase in the regular budget between 2009 and 2011. Moreover, the Group also proposed that the TCF Target for 2013 should be established at a level equivalent to the proposed target for 2012 plus the estimated price adjustment for that year, to get benefit of synchronised budgetary preparations.

However, the Group is disappointed that the target figures proposed by the Co-Chairs neither takes into account the decisions of the Board of Governors, nor the objective calculation presented by the Group. The Group wishes to have a clear explanation on the rationale and criteria used by the Co-Chairs in reaching at the proposed figure of US\$ 87.95 million, representing a mere notional 2.26% increase, which is not even taking into account the price adjustment factor from 2009 to 2011.

For the reasons outlined above, this proposed figure needs to be reconsidered taking into account previous Board decisions.

In addition to that, while appreciating the intention of finding a simple standard formula for the

establishment of TCF targets in the future, the Group is of the view that any formula to be adopted should be based on objective and quantifiable elements like changes in the regular operational budget and price adjustment factor to avoid any ambiguity and simplify future negotiations on TCF targets. Moreover, the formula should factor the total real increase in regular budget and not the average increase of the biennium, as has been established by previous Board decisions.

The Group needs some more time to study the so-called "package" proposed by the co-chairs with three bullet points requesting action from the Secretariat.

The Group concurs with the recommendation of the Co-Chairs that the issues of the Agency's programme and budget and that of the TCF target should be dealt within a single working group from 2013 onwards, considering the clear linkage between the two issues, in particular now that both processes are synchronized.

The Group wishes to express once again its strong expectation that this Working Group will be able to reach consensus on an appropriate target figure, that takes into account the concerns and needs of all Member States, to facilitate consensus on the regular budget.

Thank you, Madame and Mister Chairpersons.