



STATEMENT OF THE G-77 AND CHINA DELIVERED BY H.E. AMBASSADOR ALI ASGHAR SOLTANIEH, PERMANENT REPRESENTATIVE OF THE IR OF IRAN DURING THE MEETING OF THE WORKING GROUP ON FINANCING THE AGENCY'S ACTIVITIES

Vienna, 11 March 2011

Madam Chairperson,

1. The Group of 77 and China wishes to thank H.E. Mrs. Marjatta Rasi, Ambassador of Finland, for convening this meeting of the Working Group on the Financing of the Agency's Activities and reiterates its full confidence in her capability in guiding our work, to which we look forward to contribute actively and constructively. The Group also thanks the Secretariat for presenting the Agency's Draft Programme and Budget 2012-2013, contained in document GOV/2011/1.

2. While we are still in the process of considering this proposal and will provide our detailed comments in due course, we wish to reiterate that, for any budget proposal to gain our support, it should include the following two elements:

- a. Sufficient funding from the Regular Budget for Major Programmes 1, 2, and 6 to respond to the growing needs of developing countries; and
  - b. Meaningful steps towards making the resources of the Technical Cooperation Fund (TCF) Sufficient, Assured, and Predictable (SAP), including an agreement to increase the resources of the TCF in the future cycles in a manner that matches the overall increase in the regular budget.
3. The Group is of the firm view that these elements represent necessary steps in the right direction in order to restore the missing balance between the Agency's promotional and non-promotional activities and between the voluntary and assessed contributions.

The Group also believes it is important for the Secretariat to explain in more detail the reasoning and criteria applied to reflect in the Agency's Draft Programme and Budget 2012-2013 the priorities established in the Medium Term Strategy for 2012-2017.

With regard to the proposed Budget 2012-2013, the Group would like to express the following preliminary remarks:

- a. The Agency must be provided with adequate resources to implement its statutory functions in an effective and efficient manner.
- b. The Group notes that an increase of 2.9% has been proposed for the regular budget 2012 over 2011 and would seek more clarification on why no increase has been proposed in 2013 over 2012.
- c. We note the 7.7% proposed growth for MP 6, Management of Technical Cooperation for Development, a long-due increase considering the foreseeable expansion of the management requirements of the growing technical cooperation programme.
- d. However, the Group observes once again the lack of balance between the resources allocated to the promotional and non-promotional activities of the Agency, since a major part of the proposed regular budget increase continue to be directed towards non-promotional activities.
- e. For the operational regular budget 2012, in percentage terms, substantive increases have been proposed for 'Nuclear Security', i.e. 11.1%, and 'Quality management in nuclear verification', i.e. 28.8%. In absolute terms, increases proposed for MP 3, Nuclear Safety and Security, i.e. 1.70 Million Euros, are only surpassed by MP 4, Nuclear Verification, i.e. 2.52 Million Euros.
- f. The Group reiterates that nuclear security is not the primary statutory function of the Agency, and that the responsibility of implementing nuclear security measures rests entirely in the hands of the Member States.

Therefore, the Group reaffirms that it is fully justifiable for activities undertaken in the area of nuclear security to be financed through voluntary and extrabudgetary resources. In this connection, the Group reiterates its view that all extrabudgetary resources should be unconditional. Therefore, the Group does not see any need for seeking additional Regular Budget resources for Nuclear Security at this time when significant resources were already allocated in the 2010-11 regular budgets.

g. Given the paramount importance of the main statutory role of the Agency in promoting nuclear science and technology for sustainable socioeconomic progress in developing countries, the Group views the suggested relative increases to the Regular Budget for Major Programmes 1, 2 and 6 as insufficient when compared to the overall increases approved in the regular budget in the last years.

k. On the Major Capital Investment Fund (MCIF), we verify that once more it has been proposed primarily for the non-promotional activities of the Agency.

l. While appreciating the effort done to obtain efficiency gains, particularly through the planning and budgeting of staffing needs, we reiterate our expectation that such gains will not affect in particular the leadership of the Agency as the main provider of technical cooperation in the nuclear field.

Considering the importance of technical cooperation (TC) activities as the main statutory vehicle for transferring nuclear science and technology to developing countries, the Group remains convinced that without sufficient, assured and predictable (SAP) financial resources, the TC Programme cannot achieve its objectives as mandated in Article II of the Statute. In this connection, the Group appreciates the proposed increased resources from the Regular Budget to cover the increasing burden faced by the TC Department in implementing the Technical Cooperation Programme. While allocating resources to MP-6, it must be borne in mind that, in order to match the increases in the regular budget over the last three years, there will be commensurate growth in the TCF target for the next cycle, as concluded in the budget package approved in 2010.

Moreover, the Group expresses its conviction that the decision on the Programme and Budget 2012-2013 should be consistent with the agreement to be reached on the target figures for the Technical Cooperation Fund for the same biennium.

With these preliminary comments, the Group stands ready to engage in serious and constructive discussions relating to the proposed Draft Programme and Budget 2012-2013.

Thank you, Madam Chairperson.