



G77 AND CHINA STATEMENT DURING THE WORKING GROUP ON FINANCING THE AGENCY ACTIVITIES, 13-18 JANUARY 2010, DELIVERED BY THE DELEGATION OF ARGENTINA ON BEHALF OF THE CHAIRMAN OF THE G77

Chairperson,

The Group of G77 and China would like to reiterate its full support for your efforts in steering this important process.

The Group would like to stress that for any budget proposal to gain its support, it has to include the following three elements:

1. sufficient funding from the Regular Budget for Major Programmes 1, 2, and 6 to respond to the growing needs of developing countries.
2. 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 budget,
3. an agreement on launching consultations to revisit the shielding mechanism and present specific recommendations to the Board of Governors on this matter within a clearly identified timeframe,

For example, as far as TCF is concerned, an agreement can be reached to the effect that, as from 2012, the TCF will, as a minimum, increase by the average of the overall increase in the regular budget and the zero real growth figures, but this increase will not be less than the figure determined for price adjustment for the budget as a whole. Such an increase would be valid for a period of two years, where after it will be adjusted again in accordance with this formula.

The Group is of the 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, as well as the missing balance between voluntary and assessed contributions.

The Group stands ready to engage in serious and constructive discussions relating to these proposals.

Thank you Chairperson.