



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE EIGHTH MEETING OF THE WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2018-2019, ON 29 MAY 2017, DELIVERED BY H.E. AMBASSADOR REZA NAJAFI, PERMANENT REPRESENTATIVE OF THE ISLAMIC REPUBLIC OF IRAN

Co-Chairs,

1. The Group of 77 and China wishes to express its appreciation for the convening of this eighth meeting of the Working Group. The Group reiterates its full support to your extensive work with the goal of facilitating an agreement among Member States on the level of the Regular Budget for 2018-2019, the TCF Targets for 2018-2019 and the Indicative Planning Figures (IPFs) for 2020-2021. The Group would also like to thank the Secretariat for presentations and explanation provided throughout this process.

2. The Group of 77 and China thanks the Co-chairs for the Working Paper presented on 25 May, in Note 53, as well as the Secretariat for the additional information contained in Note 54, and would like to present the following comments:

- With regard to the revised budget proposal for Major Programme 6, the Group expresses its disappointment at the lower number being proposed, as contained in Note 54. In light of the reduction being proposed in Major Programme 6, as well as the further reductions in MPs 1 and 2, the Group believes that the balance between promotional and non-promotional activities has been further deteriorated. In addition, the proposed increase in financial terms for MP 4 represents an even larger proportion of the overall budget increase;

- The Group has clearly outlined its positions with regard to the level of the Regular Budget. The Group takes note of the allocation of 25.5 million euros to MP6, as reflected in document Note 54, for the Management of Technical Cooperation for Development, which amounts to a 2.4% increase over 2017. The Group highlights that the increase proposed for this MP continues to be significantly lower, than the one being proposed for MP 4, in financial terms;

- The Group has reaffirmed that more effort should be made to provide sufficient resources, including staff, for the management of the TCP if the priority areas for MP6 are to be given proper attention, such as ensuring adequate support to the growing number of Member States participating in the TCP and to the extended demand of Member States for the peaceful uses of nuclear technology for their sustainable development, including the achievement of the SDGs, as well as ensuring the capability to adequately respond to Member States' requests for support through the TCP. In this context, the Group has stressed that there should be a further increase of the budget for MP6 which was mentioned in document GOV/2017/1 and in the first revised proposal.

Co-Chairs,

3. I would like to turn now to the issue of the TCF Targets for 2018-2019 and the IPFs for 2020-2021. As you are aware, on 10 May, the Group presented a non-paper on this matter. The non-paper contains the main elements of the Group's position, as stated during the previous meetings of this Working Group and also the last session of the Programme and Budget Committee.

4. As mentioned in the non-paper, the Group is of the view that a decision on the TCF Targets for 2018-2019 and the IPFs for 2020-2021 should take into account the following elements:

- the IPFs
- the increasing number of Member States with a national TCP
- the increasing number of Member States which will require full support under the 2018-2019 TCP
- the evolution in the level of the Regular Budget
- the Board decision of June 2016 to place the appropriate emphasis on the Agency's activities directly related to the implementation of the SDGs in Member States
- the large unfunded components of TC projects in Member States, also termed as footnote a/ projects
- the price increases and
- other relevant factors.

5. Taking into consideration the financial constraints currently faced by many IAEA Member States and in a spirit of compromise, the proposal by the Group, as contained in the non-paper, is based upon only a few of these elements, namely, the IPFs, the increasing number of Member States with a national TCP and the increasing number of Member States which will require full support under the 2018-2019 TCP, as mentioned by the Secretariat. Other equally important elements, such as the evolution of TCF Targets vis-à-vis that of the Regular Budget, the amount of footnote a/ projects, and the decision to place the appropriate emphasis on the Agency's activities directly related to the implementation of the SDGs in Member States were not contemplated, at that point in time, in the Group's non-paper.

6. In its calculation, the Group considered conservative amounts for the new and full scope technical cooperation programmes. The resulting figure for these Member States amounts to 3 600 000 euros per year. Having this figure as the basis, the Group suggests a price adjustment which is far from reflecting the average price adjustment applied to the Regular Budget over the years, as well as the increases forecast for the next years, as mentioned by the Secretariat. The Group therefore proposed that the Target for voluntary contributions to the TCF for 2018 be set at the level of 88.515.000 euros and for 2019 at 88.603.515 euros.

Co-Chairs,

7. The Group is of the view that the figures proposed in your revised working paper for the TCF Targets for 2018-2019 fall much short of what the Group suggested, on the basis of concrete needs by new Member States. With this marginal increase in TCF targets, as proposed in your revised working paper, the cost impact of participation of an increasing number of Member States in National TC Programmes would not be fully addressed. In addition to this, the evolution of the TCF level would, once again, lag behind that of the Regular Budget. Furthermore, as a result, the resources in the TCF would continue to be insufficient to respond to Member States' needs and to allow the Agency to fulfil its statutory function to "accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world".

8. With these comments, the Group remains ready to engage constructively with other Member States and with the Co-Chairs with a view to a decision to be taken by the latest at the June session of the Board of Governors encompassing the Regular Budget, the TCF Targets for 2018-2019 and the IPFs for 2020-2021.

Thank you, Co-Chairs.