



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE INFORMAL CONSULTATIONS WITH THE CO-CHAIRS OF THE WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2018-2019, ON 3 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 thank the Co-Chairs for convening another informal consultation on the discussions related to the Regular Budget and TCF Targets for 2018-2019.
2. I would like to reiterate the main elements raised by the G-77 and China during previous meetings of the Working Group. I will also refer to some of the elements related to the revised proposal presented by the Secretariat last week. As in our previous informal consultation, I believe that members of the Group may wish to offer additional comments afterwards.
3. The Technical Cooperation Programme, as the main vehicle for transferring nuclear science and technology to developing countries, must have sufficient, assured and predictable financial resources. Without a sufficiently funded TC Programme, the IAEA will not be able to achieve its objective, as mandated in Article II of the Statute, which is “to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world”.
4. There must be a balanced distribution of the budget between promotional and non-promotional activities of the Agency.
5. To achieve this balance and in order to respond to the growing needs of developing countries, the increased number of Member States making use of nuclear applications and embarking on nuclear energy, sufficient funding from the Regular Budget must be secured for Major Programmes 1, 2 and 6.
6. The Group notes that a revised proposal was prepared by the Secretariat and that a lower increase was presented. The Group welcomes efficiencies and prioritization by the Secretariat and requests the Secretariat to ensure that there is no adverse effect to the quality of the expected results of MP1 and MP2.
7. In this regard, the Group highlights that, although the percentage of increase for Major Programme 6 is the highest one among Major Programmes, the increase proposed for this MP – around 796.000 euros – continues to be significantly lower than the one being proposed for MP 4, in financial terms.
8. It is necessary to provide sufficient resources, including additional staff, for better management of the TCP if the priority areas for Major Programme 6 are to be given proper attention. In this context, there should be a further increase of the budget for MP6 which is mentioned in document GOV/2017/1 and in the revised proposal.
9. As to the programmatic aspect, the Group notes that, in the preparation of The Agency’s Programme and Budget 2018-2019, the Secretariat intends to take into account comments received in the consultative process with Member States. The Group has therefore requested the Secretariat at the earliest time, well in advance of the June Board, to present the proposed language to be introduced in the Blue Book.
10. The decision of Member States to synchronize the Technical Cooperation Programme cycle with the regular programme and budget cycle provides a framework to consider increases to the resources for the TC Programme, including the Technical Cooperation Fund Targets.

11. In accordance with the decisions of the Board, the TCF Targets to be established for 2018 and beyond must be proportionate to the evolution of the Regular Budget.

12. In this regard, the Group notes that the evolution of TCF Targets in percentage and financial terms has been significantly lower than the one of the Regular Budget and is of the view that this situation should be taken into account in the definition of the TCF Targets.

13. The respective Indicative Planning Figures (IPFs) should be taken as the starting point for the biennium 2018-2019.

14. When agreeing on the figures for the 2016-2017 targets, the Group highlighted the two following points, as contained in its statement delivered during the meeting of the Board of Governors held in June 2015:

a) the Group noted that “whilst the IPF’s for 2016-2017 were converted into Targets without any increase on the dollar amount, this should not be seen as setting a precedent. The Group shall negotiate for appropriate increases in the TC Targets for 2018-2019, taking into account the IPFs, the price increases and all other relevant factors”; and

b) the Group expressed its view that the IPFs for the biennium 2018-2019 were the basis for negotiations for the TCF Target for that biennium and stated that the Group would negotiate for appropriate increases to the TCF Target for that Biennium.

15. The Group wishes to stress that the Indicative Planning Figure is essential for the predictability of the Fund and enables the advanced planning of the TC Programme by the Secretariat.

16. The TCF Targets should therefore be increased accordingly, taking into account the following factors:

- 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 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.

Thank you, Co-Chairs.