



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE FIFTH MEETING OF THE WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2018-2019, ON 24 APRIL 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 this fifth meeting of the Working Group, as well as for presenting their informal Working Paper, attached to Note 36. The Group would also like to thank the Secretariat for the information provided throughout this process and for the additional clarification presented today.

2. As we continue this process of discussions, the Group would like to highlight once again that, according to its Statute, “The Agency shall seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world”. Furthermore, the Agency is authorized “To encourage and assist research on, and development and practical application of, atomic energy for peaceful uses throughout the world”. The promotional activities of the Agency, constitute, therefore, the main statutory function of the Agency. The Technical Cooperation Programme (TCP) is the main vehicle for executing this statutory function.

3. As we celebrate the 60th Anniversary of the IAEA, it is all the more important to remind ourselves of the centrality of the promotion of the peaceful uses of nuclear energy in the creation of the Agency and throughout its history. Over the last years, the role of the IAEA in development, including in the achievement of the Sustainable Development Goals, has been underlined. Co-Chairs,

4. In light of the information about the possible issuance of a revised budget proposal taking into account the views expressed in this Working Group, the G-77 and China would like to reiterate the following points:

- The need to have an adequate balance between promotional and non-promotional activities of the Agency;
- In this regard, the Group takes note of the allocation of 25.67 million Euro to MP6 for the Management of Technical Cooperation for Development, which amounts to a 3.2% increase over 2017. Although the percentage of increase for Major Programme 6 is the highest one, the increase proposed for this MP – around 796.000 euros – is lower than the ones being proposed for MPs 1, 2, 3 and, in particular, 4, in financial terms;
- The Group believes 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. This increased demand for support, as we all know, involves not only developing countries but also some developed ones. In this context, any revision of the draft Programme and Budget document should result in a further increase of the budget for MP6 which is mentioned in document GOV/2017/1;
- The language in the Programme and Budget should be alligned with that of General Conference resolutions. This is particularly important with regard to the text of Programme 3.5 (Nuclear Security);

- In the future, it would be useful to consider including cross-references to GC resolutions in the document;
- Given the emphasis placed, in the draft Programme and Budget document, on “Enhancing the effectiveness, efficiency and quality of the TCP and progressive implementation of outcome monitoring and evaluation measures”, the Group requests the Secretariat to include detailed information in the revised version on how the same type of measures have been/are being applied to the other Major Programmes.

Co-Chairs,

5. Allow me to turn now to the issue of the TCF Targets for 2018-2019 and Indicative Planning Figures (IPFs) for 2020-2021.

6. The decision of Member States to synchronize the Technical Cooperation Programme cycle with the regular programme and budget cycle had a clear objective. This synchronization provides a framework to consider increases to the resources for the TC Programme, including the TCF targets. The underlying element of this process is the need to assure that the resources for Technical Cooperation are “sufficient, assured and predictable” (SAP), as well as to strike an adequate balance between the promotional and non-promotional activities of the Agency. Therefore, the decision on the level of the Regular Budget should be taken in conjunction with the decision concerning the TCF Targets and IPFs.

7. In this regard, the G-77 and China firmly believes that, in accordance with the decisions of the Board, the Technical Cooperation Fund Targets to be established for 2018 and beyond must be proportionate to the evolution of the Regular Budget. In that regard, the Group would like to note the following:

- the Regular Budget increased from around 245 million dollars in 2003 to around 366 million euros in 2017, which represents a very significant increase.
- the TCF Targets increased from around 75 million dollars in 2003 to around 92 million dollars in 2017. It represents a much lower increase in the same period of 2003-2017.

8. It is very clear that the evolution of TCF Targets in percentage terms is significantly lower than the one of the Regular Budget. This situation should be taken into account in the definition of the TCF Targets.

9. Moreover, it is important to recall that the respective IPFs should be taken as the starting point for the biennium 2018-2019, as noted in the recommendations of Working Group on Financing of the Agency’s Activities (document GOV/2014/49). The Group believes that the TCF Targets should be increased accordingly, taking into account the IPFs, 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 increasing number of TCP recipients, the price increases and other relevant factors.

10. 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.

11. The Group notes that, under the 2018-2019 TCP, 136 Member States, including 35 LDCs, will have a

national TCP, representing an increase of 7 Member States compared to the previous biennium. Six of these Member States will be requesting a TC programme for the first time. According to estimates by the Secretariat, each TC programme developed for the first time amounts to between 50 000 euros and 100 000 euros per year. This alone would result in a total amount of between 300 000 euros and 600 000 euros.

12. In addition to that, there are nine Member States which joined the TCP for the first time in 2016-2017 and will require full support under the 2018-2019 TCP, mainly through their national TC Programmes. This will result in an increase from between 50 000 euros and 100 000 euros to between 350 000 euros and 500 000 euros. If we consider an increase of 300 000 euros for each programme, this would amount to 2.7 million euros at a minimum per year. As we can see, these two components alone – new TC Programmes and full scale TC Programmes - represent around 3 million euros at a minimum per year.

13. It is also important to recall that the resources of the TCF have not been SAP to fund approved TC projects, thereby resulting in large unfunded components of TC projects in Member States, also termed as footnote a/ projects. For example, according to document GOV/2016/50, unfunded footnote-a/ projects for 2016-2017 amounted to more than half of the TCF Targets, which shows that there is a need for SAP resources for the TCF to fund these unfunded activities.

14. Finally, the Group underlines the need to have the financial resources necessary to place the appropriate emphasis on the Agency's activities directly related to the implementation of the SDGs, in line with the Board Decision contained in document GOV/2016/29, in addition to the activities already undertaken by the Agency.

Co-Chairs,

15. These are some of the elements that should be taken into account in the determination of the TCF Targets for 2018-2019 and the IPFs for 2020-2021. The Group is ready to engage in further discussions with a view to arriving at a definition of the level of the Regular Budget, the TCF Targets and the IPFs.

Thank you, Co-Chairs.