



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE FIRST WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2018-2019 ON 15 FEBRUARY 2017, DELIVERED BY MS AVRIL COETZEE, CHARGÉ D'AFFAIRES A.I., PERMANENT MISSION OF NAMIBIA

Co-Chairs,

1. The Group of 77 and China wishes to thank the Co-Chairs for convening this meeting and congratulates the Co-Chairs on the assumption of their duties as Chairpersons of this Working Group. We have full confidence in your wisdom and capability in guiding our work and look forward to engaging in a constructive manner in our deliberations in the coming months on the Regular Budget and the Technical Cooperation Fund Targets for 2018-2019.
2. The Group expresses its appreciation to the Secretariat for making the Agency's Draft Programme and Budget 2018-2019 available in full and well in advance of the Programme and Budget Committee and wishes to thank the Secretariat for the presentation of the elements of the Draft Programme and Budget for the next biennium.
3. The Group believes that the discussions in this Working Group should be guided by the previous decisions of the Board on the funding of the Technical Cooperation Fund, among others the budget packages approved in 2003 (GOV/2003/48), 2009 (GOV/2009/52/Rev.1), 2010 (GOV/2010/37) and 2011 (GOV/2011/38), which established that: "With respect to the targets for voluntary contributions to the Technical Cooperation Fund, the 2005 decision to synchronize the Technical Cooperation Programme (TCP) cycle with the regular programme and budget cycle provides a framework to consider increases to the resources for the TC programme, including the TCF target, beginning in 2012. Such adjustments would take into account the changes in the level of the regular operational budget from 2009 onwards, the price adjustment in the corresponding years, and all other relevant factors". The discussions in the Working Group will also be guided by the recommendations of the Working Group on Financing the Agency's Activities (WGFAA), including to examine the ways and means to render resources for the Technical Cooperation Fund sufficient, assured and predictable (SAP), as adopted by the Board (GOV/2014/49).
4. The G-77 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 and the respective IPFs should be taken as the starting point for the biennium 2018-2019, as noted in the recommendations of WGFAA. The Group believes that the TCF Targets should be increased accordingly, taking into account the IPFs, the June Board decision of 2016 to place the appropriate emphasis on the Agency's activities directly related to the implementation of SDGs in Member States, the increasing number of TCP recipients, the price increases and other relevant factors.
5. The Group believes that this Working Group will serve as a forum for discussing solutions for a more equitable distribution of resources between promotional and non-promotional activities of the Agency.
6. Turning to the Agency's Draft Programme and Budget for 2018-2019, the Group takes note of the Director General's priorities for the biennium, which support the continuing priorities for the 2016-2017 biennium. With regard to the priorities identified for the Major Programmes for the coming biennium, the Group would like to offer the following initial comments.
7. The Group reiterates its call for a balanced distribution of the budget so as to reflect the equal importance of the three pillars of the Agency, namely the promotion of peaceful uses of nuclear technology including

technical cooperation, safety and safeguards.

8. The Group underscores that the promotional activities of the Agency, delivered through the TCP, are the main statutory function of the Agency.

9. The Group takes note of the allocation of 25.67 million Euro to MP6 for the Management of the Technical Cooperation for Development, which amounts to a 3.2% increase over 2017. The Group also 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 2016-2017 biennium. 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 achieved, 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.

10. The Group would like to request the Secretariat to provide information on the approximate funds a new country programme would require, considering the increase in the number of TCP recipient countries.

11. The Group reiterates its considered view that the Agency's TCP and promotional activities are in a greater need of sufficient, assured and predictable (SAP) resources.

12. The Group takes note of the prioritisation of PACT within MP6 and reiterates that this should not diminish other relevant focus areas such as Food and Agriculture, Health and Nutrition, Industrial Applications/Radiation Technology and Water and Environment.

13. With regard to MP2, the Group highlights the need for continued support for the application of the Sterile Insect Technique (SIT) to mosquito control, in line with the 2016 GC Resolution on the development of the SIT for the control or eradication of malaria-, dengue-, zika and other disease-transmitting mosquitoes. The Group further welcomes the outreach to promote the contribution of nuclear sciences and applications to socio-economic development, including the achievement of the SDGs, and takes note of the other priorities for MP 2.

14. The Group would appreciate receiving more information on the distribution of resources for the Major Capital Investment Plan (MCIP) for 2018-2027.

15. The Group supports the completion of the ReNuAL project as a key priority for MP2. Whilst the Group notes the allocation of 2.0 million Euro from the Capital Regular Budget for 2018 and 2019 to the ReNuAL project, the Group notes with concern the prioritisation of funding within the 2018 Capital Regular Budget. As the key statutory function of the Agency is to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world, the Group strongly believes that the ReNuAL project should receive a larger portion of the Capital Regular Budget for 2018 and 2019.

16. Under MP1, the Group welcomes the Agency's intention to continue to support interested Member States to assess their future energy demands and to evaluate and understand the potential for nuclear power to be part of their energy strategies, including in the context of achieving the SDGs. The Group notes that a new Subprogramme 1.2.5 - Decommissioning and Environmental Remediation (D&ER) - will be created and implemented by a new Section to be established in the Division of Nuclear Fuel Cycle and Waste Technology and requests more information on the need to create this Subprogramme and its foreseen role.

17. With regard to MP3, the Group notes that an increase of 6.4% has been proposed for Programme 3.5 (Nuclear Security) and requests more detailed information from the Secretariat in this regard. The Group further takes note of the priority areas identified for the coming biennium.

18. Concerning MP4, the Group notes that a 2.8% increase, amounting to almost 4 million Euro, is being proposed. The Group requests more detailed information on the proposed increase. While the Group appreciates the importance of verification as a statutory function of the Agency, the Group notes that this increment is not solely due to the implementation of the JCPOA and further that it is significantly higher than the ones proposed for MPs 1, 2 and 6.

19. With regard to MP 5, the Group notes the proposed establishment of an independent ethics function reporting directly to the Director General and would appreciate receiving more information on the budget implication of this function.

20. The Group expresses its strong expectation that this Working Group will allow for a meaningful dialogue with substantive outcomes for Board action that will facilitate the Regular Budget and Technical Cooperation Fund discussion for 2018-2019.

Thank you, Co-chairs.