



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE FIRST MEETING OF THE WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2020-2021, DELIVERED BY H. E. AMBASSADOR OMAR AMER YOUSSEF, PERMANENT REPRESENTATIVE OF EGYPT

Vienna, 14 February 2019

Co-Chairs,

1. The Group of 77 and China wishes to thank the Co-Chairs for convening this meeting and congratulates them 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 and a spirit of openness in our deliberations in the coming months on the Regular Budget and the Technical Cooperation Fund Targets for 2020-2021.
2. The Group expresses its appreciation to the Secretariat for making the Agency's Draft Programme and Budget 2020-2021 available well in advance of the Programme and Budget Committee and wishes to thank them for the presentations on 4th February 2019 on the elements of the Draft Programme and Budget for the next biennium.
3. The Group has listened carefully to the information provided today regarding the breakdown of regular budget expenditures including different components of staff costs, travel costs and other items of expenditure. The Group is going to analyze this information and will provide its comments later in a due course. The Group looks forward to further information and breakdown regarding human resources that is being prepared by the Secretariat.
4. The Group reiterates its long-held view that the Agency's budget should reflect the balance between the three pillars of the Agency's work, namely the promotion of peaceful uses of nuclear technology including technical cooperation, safety and safeguards. While taking note of the Secretariat's proposal to ensure prioritization, efficiencies and synergies, including through what has been termed by the Secretariat on page 3 paragraph 19 as "flexibility for sharing resources and enhance coordination across major Programmes" in the proposed budget, it is of the firm opinion that such efforts should not negatively affect the desired balance between promotional and non-promotional activities.
5. The Group further underscores that the promotional activities of the Agency, delivered through the TCP, are its main statutory function and would like to underline that the largely unfunded components of TC projects show that the TCF has not been Sufficient Assured and Predictable (SAP). Therefore, the Group is of the view that there remains a great need for sufficient, assured and predictable (SAP) resources to fully implement approved TC projects including footnote a/ projects. For instance, in 2019, footnote a/ projects amount to almost half of the TCF targets. The Group underlines, the respective IPFs should be taken as the starting point for the biennium 2020-2021, as recommended by the Working Group on Financing the Agency's Activities (WGFAA) as stated in GOV/2014/49.
6. The Group believes that the discussions in this Working Group should be guided by the previous relevant decisions of the Board establishing the synchronization of the Technical Cooperation Programme (TCP) cycle with the regular Programme and budget cycle. This was meant to provide a framework to consider increases to the resources for the TC Programme, including the TCF target by taking into account the changes in the level of the regular operational budget, the price adjustment in the corresponding years, and all other relevant factors including the increasing number of TCP recipients.

7. The Group also stresses the need for the Secretariat to place appropriate emphasis on activities directly related to the implementation of the SDGs during the preparation of the Programme and budget proposal for 2020-2021, to help developing countries, including the Least Developed Countries to achieve their developmental Objectives.

Co-chairs,

8. While still studying the Agency's Draft Programme and Budget for 2020-2021, the Group would like to stress that the narratives contained in the document are expected to be aligned with the latter and spirit of agreed language, resolutions and decisions of PMOs. Accordingly, we request the Secretariat to advise Member States on the source of the language in the narrative of the Programmes.

9. The Group also notes that under the 2020-2021 TCP, 141 Member States, including 35 LDCs, will have a national TCP, representing an increase of 5 Member States compared to the 2018-2019 biennium. The Group believes that more effort should be made to provide sufficient resources, including staff, for the management of the TCP, if its priority areas 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 takes note of recent efforts to reorganize the Programme of action for cancer therapy (PACT) and expects that PACT would now be in the position to effectively meet the needs of member States. The Group reiterates that PACT and other areas such as Food and Agriculture, Health and Nutrition, Industrial Applications/Radiation Technology and Water and Environment should continue to receive the same appropriate focus in accordance with the needs and priorities of Member States.

12. The Group highlights the need for continued support for the application of the Sterile Insect Technique (SIT) to mosquito control, in line with the 2018 General Conference 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.

13. The Group would appreciate receiving more information on the distribution of resources for the Major Capital Investment Plan (MCIP) for 2020-2029.

14. The Group supports the ReNuAL Plus project as a key priority that contributes to the statutory function of the Agency, in seeking to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. Accordingly, the Group strongly believes that the ReNuAL Plus should receive an appropriate portion of the Capital Regular Budget for 2020 and 2021.

15. As regards Nuclear Power, Fuel Cycle and Nuclear Science, 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 mix and strategies, including in the context of achieving the SDGs and to continue its support for Member States considering embarking on, or extending, Nuclear Power Programmes.

16. With regard to Nuclear Safety and Security, the Group requests more detailed information from the Secretariat in terms of the rationale and the criteria used for the selection and total number of staff to be

regularized in the Division of Nuclear Security.

17. While the Group appreciates the importance of verification as a statutory function of the Agency, it notes that resources allocated to Nuclear Verification activities continue to represent by far the largest share of the Regular Budget.

18. The Group notes the cross cutting savings and efficiencies identified in Annex 1 of the draft Budget and would like to underline that cost cutting should not negatively impact the Technical Cooperation Programme or the participation of experts from the developing countries in the Agency's activities.

19. The Group notes with concern the liability related to the financing of health insurance of former officials of the Agency, also known as After Service Health Insurance (ASHI). The Group thanks the Secretariat for providing information on how other UN agencies are dealing with this challenge and looks forward to further discussions.

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 2020-2021.

Thank you, Co-chairs.