



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, 8 March 2019

Co-Chairs,

1. The Group of 77 and China wishes to thank the Co-Chairs for convening this meeting and the Secretariat for providing some of the information that was requested at the previous Working Group meeting.
2. During our deliberations on the regular budget and TCF targets for 2020-2021, the Group will continue to be guided by the principle 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.
3. The Group believes that the promotional activities of the Agency, delivered through the TCP, are its main statutory function. The Group notes that in the biennium 2020-2021, 141 Member States, including 35 LDCs, will have a national TCP, representing an increase of 5 Member States compared to the previous biennium. This underscores the necessity of Sufficient, Assured and Predictable resources for the TCP in order to enable it to adequately respond to Member States' growing needs for the peaceful uses of nuclear technology for their sustainable development, and the achievement of Sustainable Development Goals (SDGs). In this regard, the Group would like to recall that according to estimates provided by the Secretariat in 2017 each TC programme developed for the first time amounts to between 50 000 euros and 100 000 euros per year. Similarly for countries which will require full support under the 2020-2021 TCP, mainly through their national TC Programmes, there would be a possible required increase from between 50 000 euros and 100 000 euros to between 350 000 euros and 500 000 euros. These figures are crucial for determining the appropriate level of resources for the TCP and the TCF targets. It is very clear from the past budget cycles that the evolution of TCF Targets in percentage terms has been significantly lower than the one of the Regular Budget. The Group would also like to recall that footnote a/ projects amount to almost half of the TCF targets in 2019 which shows that the TCF has not been Sufficient Assured and Predictable.
4. The Group underlines that the respective Indicative Planning Figures (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 as stated in GOV/2014/49.
5. The Group recalls that the synchronization of the Technical Cooperation Programme (TCP) cycle with the regular Programme and budget cycle was aimed at providing 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. Accordingly, the Group is of the view that the TCF targets for 2020-2021 should enjoy a growth in line with the evolution of the regular budget and other relevant factors.
6. 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 enhanced coordination across different areas of the Agency, it is of the firm opinion that such efforts should not negatively affect the TCP and the desired balance between promotional and non-

promotional activities.

7. The Group listened carefully to the information provided at the first meeting of the Working Group regarding the breakdown of regular budget expenditures including different components of staff costs, travel costs and other items of expenditure. The Group notes that staff costs as a share of the RB have increased by 9.1% in the last decade (from 66.9% in 2010-2011 to 76% in 2020-2021). In this regard, the Group will analyze the information provided by the Secretariat regarding P and G-staff positions and their associated common staff costs in order to better understand what is driving this trend for a more well informed discussion on the current budget proposal.

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

9. 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.

10. With regard to Nuclear Safety and Security, the Group has requested more detailed information from the Secretariat in terms of the rationale and the criteria used for the selection of staff to be regularized in the Division of Nuclear Security.

11. 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.

12. The Group notes with concern the liability related to the financing of health insurance of 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.

Thank you, Co-chairs.