



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE THIRD 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, 22 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 the provision of further information in response to requests made at the previous Working Group meetings.

2. While engaging in discussions in this Working Group, the positions of G-77 and China will continue to reflect adherence to the Group's principles as well as considerations which have been clearly enunciated in its previous statements. However, at this stage, the Group would like to focus on the following areas.

Co-Chairs,

3. The Group is of the view that a decision on the TCF Targets for 2020-2021 and Indicative Planning Figures (IPFs) for 2022-2023 should take into account the following elements:

- the IPFs should be taken as the starting point for the respective biennia
- the increasing number of Member States with national TCPs, including 35 LDCs
- the increasing number of Member States which will require full support under the 2020-2021 TCP
- the evolution in the level of the Regular Budget in line with the Board's decision GOV/2014/49 and GC.58/Res.12
- the need for the Agency to place the appropriate emphasis on its activities directly related to the achievement of the Sustainable Development Goals in Member States
- the large unfunded components of Technical Cooperation projects in Member States, also termed as footnote-a/ projects
- the price adjustments, and
- other relevant factors.

4. In the same context, the Group would like to recall the estimates provided by the Secretariat in 2017 regarding the resources required for new and maturing TC programmes, which are also relevant for determining the appropriate level of resources for the TCP and the TCF targets.

5. In response to statements made during the last Working Group Meetings concerning the resources of the TCF, the Group would like to stress that resources for the TCP should be sufficient, assured and predictable to meet the needs of Member States.

6. The Group appreciates the information provided by the Secretariat regarding price adjustment to be used for the next biennium. Considering the importance of this issue, the Group requests the Secretariat to continue providing more detailed information regarding the new price adjustment methodology and how it would accurately reflect the inflation rate in Austria. Such information should also explain the reason for disparity among different rates of price adjustment proposed by different Vienna-based UN organizations.

Co-Chairs,

7. The Group reiterates that the Secretariat's efforts aimed at cross-cutting savings, efficiencies and synergies, should not negatively affect the TCP and the desired balance between promotional and non-promotional activities.

8. The Group listened carefully to the information provided at the first two meetings 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 noted the increase in staff costs as a share of the Regular Budget and will continue to analyze the information provided by the Secretariat in order to better understand this trend. In this regard, the Group reiterates its request that this information be provided in all future budget documents in order to enable a better informed discussion.

9. The Group would like to reiterate its request for detailed information on the distribution of resources for the Major Capital Investment Plan (MCIP) for 2020-2029 and its implementation.

10. With regard to Major Programme 3.5, the Group is of the understanding that the proposed increment is meant to finance the regularization of two positions in the Division of Nuclear Security and nothing else. The Group also recalls that in the last budget cycle four positions were regularized in the same division. At the same time, the Group has noted that despite the inadequacy of human resources in MP6, as well as increasing number of Member States with national TCPs, no proposal for new or additional P-level staff has been made by the Secretariat.

11. 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). Given the long-term implications that decisions on this issue may have on future budgets of the Agency and the assessed contribution of Member States the Group requests the Secretariat to provide more detailed information on how this challenge is being addressed in the UN system, including the discussions in and recommendations by the United Nations Inter-Agency Working Group on ASHI, before deciding on the way forward.

Thank you, Co-chairs.