



**G-77 and China statement during the Second Open Ended Informal  
Consultations on the Revision of The Agency's Draft Budget Update for 2023,  
delivered by H.E. Ambassador Azzeddine Farhane, Permanent Representative of  
Morocco**

Vienna, 10 November 2022

Mr. Chair,

1. The Group would like to thank you for convening the 2<sup>nd</sup> Informal Consultation on the Agency's Draft Budget Update for 2023 and has taken note of the Non-Paper issued on 9<sup>th</sup> November 2022 presenting your proposal for the Agency's Draft Budget Update for 2023 as contained in document GOV/2022/1/Rev.1. The Group, the largest and cross-regional grouping of the IAEA Member States, regrets that the positions expressed by it at the 1<sup>st</sup> Informal Consultation have not been reflected in the Non-Paper.

2. The Group would also like to thank the Secretariat for the information provided thus far in response to some queries from Member States. However, the Group is of the view that there is a need for further clarifications on many aspects, particularly with respect to Staff-related costs.

3. The Group would like to reaffirm that the views expressed by it at the first informal consultation held on 4th November 2022 continue to define its position. To summarize, the Group:

- Urges the Secretariat to do its utmost to gain further savings and efficiencies and, in particular, to explore all options to contain and reduce the Staff related costs which represent the major portion of the Agency's Regular Budget; and
- Further urges the Agency to adopt concrete austerity measures, including not to consider salary increases.

4. The Group notes with concern that the Agency's programmatic activities, especially TC, have been the most affected as a result of the current financial challenges, and the consequent dwindling purchasing power. The Group reiterates its firm position that Technical Cooperation, which is a statutory function of the Agency, should continue to be prioritized.

5. The Group, therefore, reiterates its firm view that its consideration of any revised price adjustment applicable to the Regular Budget shall be contingent upon a corresponding level of price adjustment being applied to the TCF target for 2023, in accordance with the principle agreed since 2009 and as reaffirmed in the document GOV/2021/25. This would also be of vital importance to pursue the objective of rendering resources for the TC Programme as sufficient, assured and predictable.

6. The Group reiterates its request to the Secretariat for further information regarding the programmes/projects that could be postponed with minimal adverse fallout. In this regard, any efforts by the Secretariat to deal with the inflationary pressure, including possible suspension or re-prioritization of some of its programmatic activities, if necessary, as well as temporary cost control measures, shall be fully consistent with the agreed balance between promotional and non-promotional activities.

7. The Group also hopes that the Secretariat will handle the budget issue, especially the Staff-related costs in strict accordance with, inter alia, the IAEA Statute, the relevant Board and GC resolutions, as well as the Staff and Financial Regulations.

8. Recognizing the complexity of the issue which demands adequate consideration, the Group underscores that it must be addressed through an inclusive, transparent and consensus-based approach through appropriate mechanisms, including through a relevant inclusive working group, if necessary.

Thank you, Mr. Chair.