



G-77 and China statement during the 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, 4 November 2022

Mr. Chair,

The Group would like to express its trust in your leadership in steering our collective deliberations on the important subject of the Agency's Draft Budget Update for 2023.

The Group would also like to thank the Secretariat for the briefings and information provided, including through the non-paper of 2nd November 2022, responding to some queries from Member States.

The Group wishes to share the Group's position and initial views regarding the proposed price adjustment revision in the Agency's 2023 Regular Budget.

The Group acknowledges that the unprecedented inflationary pressures, driven by various factors, have negatively impacted the Agency's purchasing power with implications for the implementation of its programmatic activities across all Major Programmes. The Group, nevertheless, wishes to highlight that the Agency's experience is not unique. The economic situation across the globe is difficult and Member States are confronted with similar inflationary pressures and associated financial challenges, including financial effects of COVID-19 pandemic. The proposed price adjustment, therefore, needs to be determined while taking into account the existing global economic realities. In this regard, the Group encourages the Secretariat to do its utmost to gain further savings and efficiencies and, in particular, to explore all options to contain the staff related costs which represent the major portion of the Agency's Regular Budget. We further encourage the Agency to adopt concrete austerity measures, including not to consider salary increases, until the economic situation improves, which is how many Member States are trying to balance their budgets.

Secondly, it has been the Group's consistent position that the promotional activities of the Agency, delivered through the Technical Cooperation Programme (TCP), are its main statutory function. The Group understands that the Technical Cooperation Fund (TCF), whose figures are similarly a reflection of the price adjustment, has also been subject to the same inflationary pressures which have impacted the Regular Budget. This is particularly worrisome at a time when the demand for the Agency's TCP is growing as developing countries seek to benefit from peaceful uses of nuclear technology to pursue sustainable development. In accordance with the principle that the Regular Budget and the TCF should evolve in tandem, the Group asserts its firm position that its consideration of any revised price adjustment applicable to the Regular Budget should be contingent upon a corresponding level of price adjustment being applied to the TCF target for 2023. This principle has been acknowledged in the proposal made on the Regular Budget and the Technical Cooperation Fund targets for 2022-2023, as contained in document GOV/2021/25. Adherence to this principle is vital to protect the TCF, which remains to be made sufficient, assured and predictable (SAP), from being eroded by the prevalent inflationary trends.

Finally, the Group believes that deliberations by the Board may be aided by further information regarding the programmes/projects that could be postponed with minimal adverse fallout and without prejudice to the agreed balance between promotional and non-promotional activities.

Thank you, Mr. Chair.