



## **Statement of the Group of 77 and China during the Programme and Budget Committee, 2-4 May 2023, delivered by H. E. Ambassador Aftab Ahmad Khokher, Permanent Representative of Pakistan**

### **Agenda Item 2: Agency's Financial Statements for 2022, including the Report of the External Auditor**

Mr. Chair,

1. The Group of 77 and China thanks the Deputy Director General for her introductory statement and the Secretariat for the presentations delivered during the informal Workshop on Financial and Administrative matters on 21 April 2023.
2. With regard to the Financial Statements of the Agency for 2022 including the External Auditor's report. The Group would like to make the following comments:
3. The Group would like to express its appreciation to the Supreme Audit Institution of India for the professionalism in conducting the audit on the Agency's activities and whose independent auditing work will assist the efforts of the Agency towards efficiency and effectiveness in service delivery.
4. The Group is pleased to note that "an unqualified opinion" has once again been placed on the Agency's financial statements. The External Auditor has made several observations and recommendations for the improvement of the Agency's financial practices. The Group supports the implementation of relevant recommendations aimed at improving management and enhancing efficiency.
5. While appreciating the extrabudgetary contributions that were made by Member States in a position to do so, the Group would like to caution against the over reliance on extrabudgetary funds, as this could negatively impact the effectiveness and independence, as well as long term sustainability of the Agency's activities.
6. The Group calls on all Member States to pay their contributions to the Regular Budget and the Technical Cooperation Fund, on time and in full.
7. The Group also takes this opportunity to underscore the fact that TC activities continue to lack sufficient, assured and predictable resources and requests the Secretariat to address this issue.
8. The Group notes that the net assets of the TCF and the TC Extrabudgetary Fund increased by €3.6 million and €17.9 million, respectively. While this reflects the overall health of the funds, the Group maintains its view that the said increase should not be interpreted that the TCF resources exceed what can be implemented. The Group would like to clarify that this is also due to the nature of TCF activities that are implemented over a longer time horizon than one financial year. The Group requests the Secretariat to continue to explain this fact in all future financial statements of the Agency.
9. The Group notes with concern the overall increase in the Agency's liabilities and in particular the €40.5 million increase concerning After Service Health Insurance. The Group encourages the Secretariat to continue addressing the significant growing liabilities, and to

consult regularly with and report to Member States about the relevant measures to be taken in that regard. The Group reiterates its request that budget information regarding staff costs, as well as regarding all the relevant expenditure items, should be presented in such a way as to permit meaningful comparison of the budget proposals on a year-on-year basis.

Finally, Mr. Chair,

10. The Group encourages the Secretariat to implement the External Auditor's recommendations in a transparent manner and where feasible, to consult with Member States.

11. With these comments, the Group of 77 and China takes note of the Agency's Financial Statements for 2022, as contained in document GOV/2023/17, and documents GOV/INF/2023/4 and GOV/INF/2023/6.

Thank you, Mr. Chair.

**Statement of the Group of 77 and China during the Programme and Budget Committee, 2-4 May 2023, delivered by H. E. Ambassador Aftab Ahmad Khokher, Permanent Representative of Pakistan**

**Agenda Item 3: The 2022 Internal Audit, Management Services and Investigations Report and the 2022 Programme Evaluation Report**

Mr. Chair,

1. The Group of 77 and China thanks the Secretariat and the Director of Office of Internal Oversight Services (OIOS) for the 2022 Internal Audit, Management Services and Investigations Report and the 2022 Programme Evaluation Report.
2. The Group expresses its appreciation for the work conducted by the OIOS to ensure management efficiency and programme effectiveness and to enhance accountability. The Group recognizes that the organizational independence of the OIOS is fundamental to fulfill the responsibilities of the internal audit activities and the OIOS must confirm it to the Board of Governors at least annually.
3. The Group is of the view that the audit and evaluation activities carried out by the OIOS should cover all Major Programmes equally.
4. On the Country-Level Evaluations and Audits (CLEAs), the Group recalls that CLEAs were carried out in Bangladesh, Kuwait, Mongolia, the Philippines, Thailand and Viet Nam, and reported on during the Technical Assistance and Cooperation Committee (TACC) in November 2022. The Group notes the findings, recommendations and cross-cutting conclusions that aim to facilitate long-term capacity-building and sustainability planning.

Mr. Chair,

5. While noting that all recommendations have been accepted by the Secretariat and are being implemented, the Group further requests the Secretariat to implement the earlier outstanding recommendations. The Group notes that according to OIOS Report, the Secretariat put forth a specific action plan in response to the recommendations made on the Evaluation of Agency's Management of the Nuclear Security Programme, and also takes note of the Evaluation of the Incident and Emergency System Training and Exercise Programme and of the Review of the Agency's COVID-19 Emergency Response Assistance Delivered Through Technical Cooperation Project INT0098.
7. With these comments, the Group of 77 and China takes note of the 2022 Internal Audit Activity Report, as contained in document GOV/2023/14, and the 2022 Programme Evaluation Report, contained in document GOV/2023/15.

Thank you, Mr. Chair.

**Statement of the Group of 77 and China during the Programme and Budget Committee, 2-4 May 2023, delivered by Mr. Amir Saeed, Representative of Pakistan**

**Agenda item 5: The Agency's Draft Programme and Budget 2024-2025**

Mr. Chair,

1. The Group would like to thank the Secretariat and the Co-Chairs of the Working Group on the Regular Budget and TCF Targets for issuing the proposal of the Agency's Draft Programme and Budget 2024-2025, and the Working Paper as contained in 2023/Note 33.
2. The Group would like to seize this opportunity to reiterate its principled position with regard to the Regular Budget, which calls for a balanced distribution of the budget so as to reflect the equal importance of the three pillars of the Agency, namely (a) the promotion of peaceful uses of nuclear technology, including technical cooperation, (b) safety and (c) safeguards.
3. The Group would like to further reiterate its call for the need to balance the Agency's promotional and non-promotional activities.
4. With respect to paragraph 7 of the Working Paper as contained in 2023/Note 33, the Group will continue to support the efforts as highlighted in the budget proposal to achieve equitable geographical distribution and gender balance within the Secretariat.
5. Regarding the Technical Cooperation Fund (TCF) targets, the Group reiterates its consistent view that in determining the TCF targets and Indicative Planning Figures the following factors should be taken into account:
  - The increasing number of Member States which will require full support under the Technical Cooperation Programme;
  - 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, based on their national needs and priorities;
  - The large unfunded components of Technical Cooperation projects in Member States, also termed as footnote a/ projects;
  - The price adjustments; and
  - Other relevant factors.
6. In view of the above, the Group believes that sustained efforts are required to render the resources for the TCP sufficient, assured and predictable, in order to enable the Agency to effectively deliver on its main statutory function.
7. The Group also takes note that the Co-Chairs' proposal presented is consistent with the Price Adjustment Methodology as contained in document GOV/INF/2018/8 in a non-selective manner.
8. The Group supports the Co-Chairs' request to the Secretariat to publish a non-paper outlining current and future measures that could help improve predictability, transparency and communication with a view to avoiding budgetary shortfalls, may those be on account of the implementation of ICSC Recommendations and Decisions or due to other unforeseeable significant increases in the cost of the programmatic activities. The Group looks forward to receiving this non-paper at an early date.

9. With these comments, the Group of 77 and China takes positive note of the draft proposal by the Co-Chairs, as contained in 2023/Note 33 as well as its reflection on the Agency's Programme and Budget 2024-2025 and believes that this is a prudent approach and serves as a good basis for consensus. The Group stands ready to engage constructively in the discussion on the proposal with an aim to reach a consensual outcome at the earliest.

Thank you, Mr. Chair.

**Additional Statement of the Group of 77 and China during the Programme and Budget Committee, 2-4 May 2023, delivered by H. E. Ambassador Aftab Ahmad Khokher, Permanent Representative of Pakistan**

**Agenda item 5: The Agency's Draft Programme and Budget 2024-2025**

Mr Chair,

1. The Group of 77 and China thank you for the work conducted during this Programme and Budget Committee. The Group also extends its appreciation to the distinguished Ambassadors of Belgium and Egypt for their competent leadership throughout the sessions of the Working Group and we are satisfied with the outcome of these discussions.

2. In that regard, the Group is ready to join consensus on the Agency's Programme and Budget 2024-2025 as contained in the document GOV/2023/32.

Thank you, Mr Chair.