



**Statement of the Group of 77 and China during the Second Meeting
of the Working Group on the Regular Budget
and TCF Targets for 2026-2027, on 26 March 2025,
delivered by Mr. Matheus Uller, Second Secretary, Permanent Mission of Brazil**

Co-Chairs,

1. The Group of 77 and China wishes to thank the Co-Chairs for convening this meeting and the Secretariat for providing more information since last meeting.
2. The Group stands by its earlier statements as delivered at the informal PBC and the First meeting of the Working Group on the Regular Budget and TCF Targets and while being mindful of the Secretariat's presentations, the Group has the following remarks to make.
3. The Group notes that the price adjustments applied to the years 2026-2027 is 3.8%. While the Group is still considering the proposed price adjustment, it reiterates that the Secretariat needs to take into account the existing economic reality when calculating this proposed price adjustment.
4. The Group notes the Secretariat's proposed measures aimed at cross-cutting savings, efficiencies and synergies and underscores that the promotional activities of the Agency, delivered mainly through the Technical Cooperation Programme (TCP), are its main statutory functions. In that regard, the Group emphasizes that any savings and efficiencies suggested by the Secretariat and cost reductions should neither negatively affect the TCP and its delivery, nor impair the desired balance between promotional and non-promotional activities. The Group thus requests the Secretariat to provide additional detailed information on these savings and efficiencies and on any other potential savings and efficiencies.
5. The Group notes the inclusion of artificial intelligence (AI) in the IAEA draft Program and Budget 2026-2027 in different domains of the Agency activities. The Group recalls GC 68 resolutions on the subject matter that requested the Secretariat to identify, in close consultation with Member States, potential benefits and challenges of artificial intelligence. In this regard, the Group requests the Secretariat to provide further information on the use of artificial intelligence in the Agency's draft budget, including its criteria of utilization. The Group emphasises the need to support Member States' capacities, particularly developing countries in using AI in the peaceful uses of nuclear energy. Furthermore, the Group underscores the need for consultations with Member States on criteria, for the utilization of AI in the Agency's activities as well as ethical and legal questions raised by its use.
6. The Group underlines that the respective IPFs should be taken as the starting point in determining the TCF targets for a biennium, in consistence with the recommendation of the Working Group on Financing the Agency's Activities (WGFAA) as stated in GOV/2014/49. Nonetheless, the Group believes that, as acknowledged in paragraph 18 of document GOV/2023/32, the discussions in this Working Group should be guided by the previous relevant decisions of the Board establishing the synchronization of the TCP cycle with the regular programme and budget cycle. This was meant to provide a framework to consider increases to the resources for the TC Programme, including the TCF target by considering 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, as well as the level of maturity of their respective TC Programmes.

7. The Group notes with concern that, despite several Board decisions calling for proportional growth between the regular budget and the TCF, and the increasing demand for technical cooperation, the financial resources allocated to the TCF have not kept pace with the Agency's overall budget growth increasing the backlog of unfunded priority projects. In 2025, unfunded projects under the TCF (footnote-a/ projects) accounted for nearly 60% of the total TCF budget, reaching approximately €59 million. The financial projections for 2026-2027 indicate a continuing upward trend in unfunded projects, reflecting an increasing mismatch between demand and available resources.

8. The Group notes that the Technical Cooperation Fund's IPF for the next biennium 2026- 2027 is 98 million Euros, which is consistent with the agreed methodology. The Group highlights the increasing demand for Technical Cooperation particularly by developing countries, and reiterates the need to raise the target of the TCF to incorporate these needs and ensure sufficient, assured and predictable resources for the TCF so as to fully implement approved TC projects including footnote-a/ projects.

Thank you, Co-chairs.