



**Statement of the Group of 77 and China  
during the Programme and Budget Committee (PBC),  
5-7 May 2025,  
delivered by H. E. Mr. Maurice Makoloo,  
Permanent Representative of Kenya**

**Agenda Item 2: Agency's Financial Statements for 2024, including the Report of the External Auditor**

Madam 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 23 April 2025.
2. With regard to the Financial Statements of the Agency for 2024 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 Comptroller and Auditor General 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 welcomes 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 continues 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. In 2024, voluntary contributions were 35,7% of the total revenue of the Agency. At the same time, the Group notes that there was an 11,7% decrease in those contributions compared to 2023, negatively impacting the total revenue of the Agency which decreased from 738,2 million euro in 2023 to 724,1 million euro in 2024.
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 reiterates its request to urgently address this issue, in accordance of the recommendation of the Working Group on Financing the Agency's Activities (WGFAA) as stated in GOV/2014/49.
8. In this connection, the Group notes that, during the reporting period, the net assets of the TCF decreased by €0,6 million and the TC Extrabudgetary Fund increased by €8,1 million. The Group emphasizes that the reported evolution of the TCF net assets and the reported increase of the TC Extrabudgetary Fund demonstrate that resources for the TCF are still not sufficient, assured and predictable.
9. The Group notes with concern the overall increase in the Agency's liabilities, in

particular the ones related to the After Service Health Insurance (ASHI), which represented 46% of the total liabilities in 2024. The Group notes positively the 29,1 million euros decrease in those liabilities in 2024. Nonetheless, 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, Madam 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 2024, as contained in document GOV/2025/15 and documents GOV/INF/2025/1 and GOV/INF/2025/2.

Thank you, Madam Chair.



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**Agenda Item 3: The 2024 Internal Audit, Management Services and Investigations Report and the 2024 Programme Evaluation Report**

Madam Chair,

1. The Group of 77 and China thanks the Secretariat and the Director of Office of Internal Oversight Services (OIOS) for the 2024 Internal Audit, Management Services and Investigations Report and the 2024 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 fulfil 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.

Madam Chair,

4. 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 to further strengthen management of the execution of safeguards verification.
5. The Group notes that the 2024 internal audit report recommends achieving a robust and comprehensive data governance framework to help ensure that risks related to the use of AI in the Agency are managed. In this regard, 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. With these comments, the Group of 77 and China takes note of the 2024 Internal Audit Activity Report, as contained in document GOV/2025/13, and the 2024 Programme Evaluation Report, contained in document GOV/2025/14.

Thank you, Madam Chair.



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**Agenda Item 5: The Agency's Draft Programme and Budget 2026–2027**

Madam Chair,

1. The Group would like to thank the Secretariat for issuing the proposal of the Agency's Draft Programme and Budget 2026-2027 and the Co-Chairs of the Working Group on the Regular Budget and TCF Targets for their oral update and their efforts during this process.
2. The Group reiterates 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 further reiterates its call for the need to balance the Agency's promotional and non-promotional activities.
4. Regarding the Regular Budget, the Group takes note that the proposed Draft presented by the Secretariat is consistent with the Price Adjustment Methodology as contained in document GOV/INF/2018/8 in a non-selective manner. For that reason, the proposal for the Regular Budget contained in document GOV/2025/1 and 2025/Note 18 is a prudent approach and serves as a good basis for consensus.
5. Regarding the Technical Cooperation Fund (TCF) targets, the Group reiterates its call for an increase in the 2026-2027 TCF targets and in the subsequent IPFs, in order to meet the following considerations:
  - That the TCF targets should always grow at least in tandem with increases in the regular budget;
  - The increasing number of Member States, including SIDS and LDCs, requiring technical assistance from the Agency; for this budget cycle there are 4 additional Member States which will require initiation of TC programmes;
  - The increased demand by Member States, particularly developing countries, for TC projects taking into consideration the diverse applications of peaceful uses of atomic energy, including the Agency's flagship initiatives;
  - The need to achieve a balance between promotional and non-promotional activities and to address the accumulated gap due to insufficient increases in the TCF during the previous years;
  - The necessity to bridge the gap among Member States in nuclear science, technology and applications for peaceful purposes;
  - The need to further support Member States in particular developing countries, for the achievement of SDGs taking into account their national legal frameworks and priorities;
  - The large unfunded components of TC Programme in Member States, also termed as Footnote-a/ projects, which were almost 60% of the TCF in 2025;
  - The price adjustment;
  - That the IPFs for 2028-2029 should be based on the agreed TCF targets of 2026-2027, and
  - Other relevant factors.

6. The Group's aforementioned approach is consistent with the recommendations of the Working Group on Financing the Agency's Activities (WGFAA) as stated in GOV/2014/49.
7. Furthermore, while appreciating the high rate of attainment of the TCF in the previous years, the Group emphasizes that the non-payment of TCF contributions would negatively affect such rate and the delivery of the TCP. In this regard, the Group calls on all Member States to pay their contributions to the TCF, on time and in full.
8. 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.
9. The Group would like to express its readiness to make a decision both on the regular budget and the TCF Targets at this time, based on a consistent application of the zero real growth rate, including through the price adjustment.
10. 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, Madam Chair.