

SPECIAL SESSION OF THE GENERAL CONFERENCE

INTERVENTION BY BRAZIL

27 JANUARY 2023

Mr President,

Brazil associates itself with the statement delivered by the distinguished ambassador of Pakistan on behalf of the G77 and China on this agenda item and would like to make the following remarks in its national capacity.

I would like to express appreciation for your work, as well as for the efforts of the Chair of the Board of Governors, distinguished Ambassador Ivo Srámek, to assure a consensual decision regarding the budget for 2023.

We take note of the Agency's Budget Update for 2023, published as GC(SPL.3)/2 on Govatom on 19

January, which reflects the consensual decision taken on the Board of Governor last December.

Allow me to make some brief observations on the report:

First, and as a preliminary comment, the report could be improved in its format. Certain information at the center of the debate last month is not present or not clearly reflected in the published document. With respect to Human Resources, more context on the increment of salaries would be appreciated. This is particularly relevant given the existence of a cap on Human Resources expenditures, which means such increases would inevitably impact on the budget in forthcoming years.

Second, Brazil supports efforts to limit staff costs as a share of the overall Regular Budget at a sustainable level, and welcomes the proposal

contained in the document that the 75% cap on expenditures on Human Resources will be observed. This preserves an important criterion to keep in check the main driver behind the expansion of the Agency's budget in recent years.

Third, the Update on the Budget for 2023 as published in Govatom proposes a price adjustment that, while including other income sources, such as interest accrued by the Regular Budget and TCF, ensures that both are revised with the same percentage of price adjustment (4.9%). This is in line with the principle of parity in budgetary evolution between the Regular Fund and the Technical Cooperation Fund, a position long-held by Brazil and many other developing countries.

Finally, we emphasize the need to engage in discussions on broader budgetary issues,

particularly on the context of the Working Group for the Agency's Programme and Budget for 2024-2025, with a view to ensuring the long-term sustainability of the Agency's finances.

With these observations, Brazil will join consensus on the proposed Budget for 2023.

Thank you, Mr Chair.