



**GROUP OF FIFTEEN**  
**The Summit Level Group of Developing Countries**

**G-15/01/PR70/2**

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**SEVENTIETH MEETING**  
**OF THE PERSONAL REPRESENTATIVES OF THE**  
**HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN**  
Geneva, 14 September 2001

**SUMMARY RECORDS**

1. The 70<sup>th</sup> Meeting of the Personal Representatives (PRs) of the Heads of State and Government of the Group of Fifteen was held on Friday, 14 September 2001 in Geneva, under the Chairmanship of Ambassador Werner Corrales Leal, the Personal Representative of the President of Venezuela.

**Item 1 - Adoption of the Agenda**

2. The Provisional Agenda contained in document **G-15/01/PR70/1/Rev.1** was adopted as proposed by the Chairman.

**Item 2 - Report by the Chairman on the Progress of Consultations on the Decision of the XI Summit establishing a commission aiming to increase the efficiency of the G-15 in the implementation of its decisions**

3. The Chairman informed the meeting that the consultations of the President of Venezuela on the establishment of the Commission were carried out at two levels. One involved the transmission of his proposals through G-15 embassies in Caracas to other Heads of State/Government and the dispatch of special envoys to present these proposals. He noted that the other track of consultations involved that conducted in Geneva with the PRs, which proved very useful in articulating the suggested mission, functions and scope of the proposed Commission, as contained in a paper circulated to all member countries. He observed that the outcome of the consultations have been very positive and that any fresh ideas emerging from the present meeting would be incorporated into a revised version of the paper containing the proposed mission, functions and scope of the Commission, to be made available to the PRs soon. The Chairman remarked that it was envisaged that consultations to nominate members of the Commission would be concluded in advance of the Foreign Ministers meeting in New York.

4. Brazil on the other hand observed that its understanding was that the Commission would operate in an open-ended manner, with three PRs from each region. The Chairman clarified that, based on the outcome of the latest consultations, membership of the Commission would comprise the serving Troika members and two PRs from each region, irrespective of whether they had previously served on the Troika, and that it would operate in

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an open-ended manner. India confirmed that its Prime Minister received the special envoy of the President of Venezuela and pledged its cooperation in the task to energize the Group. The PR of Egypt inquired from the Chairman if it was still necessary for Egypt to convey in writing, its suggestions made in the course of the consultations with his country. Responding, the Chairman observed that while that could be helpful, it was not absolutely necessary since the suggestions have been noted. In light of the understanding that the Commission should not duplicate the work of the PRs, the PR of Malaysia expressed fears that this might be the case if the Commission is to operate in an open-ended manner. The Chairman however allayed such fears by affirming that the Commission would only assist, and not duplicate the work of the PRs. To conclude, the Chairman observed that the revised version of the paper on the proposed mission, functions and scope of the Commission, which would be made available soon, should be acceptable to all, as it would reflect the additional suggestions made.

**Item 3 – The Meeting of the G-15 Ministers of Foreign Affairs on the margin of the United Nations General Assembly Session, 27 September 2001, New York; Draft Provisional Agenda for the Meeting; and Item 7 - G-15/G-8 Dialogue**

5. Items 3 and 7 of the Provisional Agenda were considered together. In drawing the attention of the PRs to the draft Provisional Agenda for the 23<sup>rd</sup> Meeting of the Ministers of Foreign Affairs, the Chairman recalled the proceedings of the last meeting of the PRs, leading to the conclusion to convene the meeting in New York on 27 September 2001. He noted that a convenient time would have to be chosen to avoid a clash with the meeting of the Non-Aligned Movement taking place same day, while bearing in mind possible difficulties that may arise from the recent events in the United States. Within the context of G-15/G-8 dialogue, the Chairman disclosed that the Foreign Minister of Italy had initially accepted the invitation extended by the Venezuelan Foreign Minister for an informal meeting with the Foreign Ministers in the course of their meeting in New York. However, the Italian Foreign Minister later requested for the encounter to take place on 25 September 2001 as he would not be available in New York after this date. The Chairman therefore observed that the meeting could consider the possibility of shifting the meeting of the Foreign Ministers to 25 September 2001, on the assumption that Foreign Ministers would be available, or for the Troika Ministers to meet with the Italian Foreign Minister on this date. He also invited consideration to be given to the possibility of a luncheon or dinner on 25 September 2001 between the Foreign Ministers present and the Italian Foreign Minister.

6. In response to the Chairman's presentation, the following comments and observations were made by some PRs:

- A call was made for a change of date because a meeting of the Foreign Ministers of the Rio Group, coordinated by the Foreign Minister of Chile, will be holding on 27 September 2001;
- That since the meeting of the Foreign Ministers usually took not more than two hours, it could start late, around 4 p.m. To better manage the available time, the Chairman of the meeting could propose that several agenda items should be taken together;
- That item 2 of the draft Provisional Agenda for the Meeting of the Ministers of Foreign Affairs should be amended to read, "*Report by the Chairman of the Personal Representatives on the follow-up on the implementation of the decisions of the XI Summit*";
- That once the participation of the Foreign Minister of Italy was confirmed, a separate agenda item on the G-15/G-8 dialogue should be included;

- Most PRs were of the view that the agreed date of 27 September 2001 should not be changed to avoid creating further difficulties;
- That the Italian Foreign Minister could have a luncheon or dinner meeting with the Ministers on 25 September 2001, and the results of the informal dialogue reported to the Foreign Ministers' meeting on 27 September 2001;
- Attention was drawn to the need for balance, as it would appear inappropriate for all the Foreign Ministers of the G-15 to have an encounter with a single G-8 Foreign Minister;
- Taking into account the outcome of the Genoa Summit of the G-8, the TSF should update and circulate the background paper on the six topics proposed for the dialogue with the G-8;

7. In summing up, the Chairman observed that the consensus was to stick to the 27 September 2001 date for the meeting of the Foreign Ministers, while exploring the possibility of a luncheon/dinner meeting on 25 September 2001 between the Foreign Ministers and the Italian Foreign Minister.

**Item 4 – Report by Colombia on the progress of the informal consultation on the establishment of a Working Group on International Trade Matters and a Working Group on Trade Relations among G-15 member countries**

8. The PR of Colombia informed the meeting that he was yet to conclude the informal consultations on the establishment of the two Working Groups. He however reported that, so far, the consultations had revealed that there were differences of views among member countries on some WTO issues and as a result, more time was required for meaningful consultation and coordination of positions. In light of these difficulties, some member countries felt that the establishment of the Working Group on International Trade Matters should be undertaken after the 4<sup>th</sup> WTO Ministerial Conference in Doha, by which time, the outcome of the meeting would have been clearer. The PR of Colombia reported that while the initial responses on the establishment of the Working Group on Trade Relations among G-15 Member Countries were more positive, specific recommendations would be made on the conclusion of the consultations. He however observed that in the mean time, the Group could commence work on issues such as the establishment of data bases, exchange of information on trade policies, etc.

9. In his comment, the Chairman observed that while there were some differences of positions on certain WTO issues, it was still possible to identify a common ground on which broad agreement could be reached among member countries. He noted that the Group had to demonstrate its relevance and credibility to member countries and the international community by pronouncing itself on the very important subject of multilateral trade negotiations. Several PRs shared this view and pointed out that there was a common denominator among developing countries on WTO issues, such as on implementation-related issues, operationalization of special and differential treatment in favour of developing countries, agriculture, anti-dumping and safeguards measures, among others. Reacting to this view point, some PRs cautioned that the image of the Group could be diminished if the common denominator turned out to be too low or lacking in substance. It was generally felt that the outcome of the proposed Meeting of the Trade Ministers in Doha would determine the course of action to be taken in relation to the Doha Ministerial Conference.

**Item 5 - Preparations by the Group of Fifteen for the forthcoming 4<sup>th</sup> WTO Ministerial Conference in Doha, Qatar**

10. The Chairman recalled the agreement at the last PRs meeting to convene a Preparatory Meeting of Ministers of Trade on 8 November 2001 in Doha, Qatar. He observed that it was envisaged that the proposed Working Group on International Trade Matters to be established after the consultations being coordinated by Colombia would, among other things, prepare a draft agenda for the Meeting of the Ministers of Trade for consideration by the PRs. He observed that in the present circumstance, and mindful of the differences of views among member countries on WTO issues, it would be better to propose a draft agenda on the basis of informal consultations. To this end, the Chairman proposed to convene in due course, an informal meeting of G-15 experts on WTO matters after consultation with the PRs. To facilitate this process, the Chairman urged the PRs to forward their suggestions on possible items for the provisional agenda for the Meeting of the Trade Ministers.

**Item 6 - Report by Malaysia on the progress of the informal consultation on the establishment of the G-15 Task Force on ICT**

11. The PR of Malaysia informed the meeting that the Malaysian Ministry of Energy, Communications and Multimedia had accepted the request for Malaysia to coordinate consultations on the establishment of the G-15 Task Force on ICT. She disclosed that the Ministry was already working on a draft paper on the subject which will be made available to the PRs when finalized. The PR of Egypt recalled that it was agreed at the last meeting that Malaysia should coordinate the consultations in collaboration with other interested member countries. In light of Egypt's project on G-15 ICT Online Resource Center and its readiness to contribute to the process, the PR of Egypt requested that Malaysia should involve Egypt in the exercise. The PR of Malaysia observed that the Egyptian proposal on ICT was being taken into account and that consideration was being given to the possibility of holding a meeting at expert level on the matter. On this note, the Chairman invited all interested member countries to establish contact with Malaysia.

**Item 8 - Financial Matters:**

**(a) Budget Variance Report for the Second Quarter of 2001**

12. The Chairman formally presented the Budget Variance Report for the Second Quarter of the current financial year. The PRs took note of the Report.

**(b) Proposed Budget for the year 2002**

13. The Chairman also presented the Proposed Budget of the Group of Fifteen for the year 2002, contained in Document G-15/01/L.5. He compared the 2002 proposed allocations under the different sub-heads with those of the approved budget for the preceding year and observed that, with a few exceptions, the proposed allocations for 2002 were either at the same level or less, compared with the previous year. He pointed out that the difference between the total figures for 2001 and 2002 budgets were accounted for largely by the deterioration of the exchange rate between the US dollar and the Swiss Franc.

14. Some PRs sought clarifications on certain items and requested for slight downward revision of the projected expenditures on some specific sub-heads, such as the Contingency

Reserve, Meetings, Temporary Assistance, Personnel Costs, Translation and Communications. In spite of further clarifications provided by the Chairman and the Head of the TSF on these items, some PRs still considered it necessary to reduce some figures. In light of this consideration and the practical difficulty in considering case-by-case adjustments, the Chairman requested that the PRs should mandate him, with the assistance of the TSF, to make an overall reduction of between 25,000-30,000 Swiss Franc on the Proposed 2002 Budget. The proposal was accepted by the PRs.

**(c) Contributions in Arrears and Annual Contributions for 2001**

15. The Chairman drew the attention of the meeting to the unhealthy financial situation of the Group, arising from the delay in the payment of outstanding contributions by some member countries, amounting to around US\$ 800,000. He noted that the figure represented the unpaid initial contributions of two new member countries and the outstanding contributions to the budget. He recalled that the Sensitivity Analysis Report (SAR) approved by the Ministers of Foreign Affairs constituted the basis for the reduced individual contributions to the current budget. He underlined that that the efficacy of the SAR depended on the assumption that member countries would pay their contributions in time. The Chairman observed that with US\$ 800,000 in arrears, the Group was losing about US\$ 24,000 in un-earned interests. The way out of the present financial problems of the Group, with direct consequence on the financing of the 2002 budget, the Chairman explained, was for the countries in arrears to immediately pay-up their outstanding contributions or alternatively, to pay the US\$ 24,000 lost as interest. In light of the present experience and its likely impact on the Reserve Fund and the various investment portfolios of the Group, the Chairman observed that the individual contribution to the 2002 budget may have to be increased. For a better appreciation of the foregoing options, the Chairman explained the calculations contained in a TSF paper entitled "Financing for the Proposed Budget of the Year 2002" which was circulated at the meeting.

16. Several PRs who took the floor emphasized the imperative for the early payment of contributions in order not to undermine the financial position and activities of the Group. It was generally felt that it would be unfair for member countries who paid their contributions early to share the burdens of non-payment of dues by others. The view was widely held that, in line with standard procedure, the new members of the Group were expected to have paid their initial contribution of US\$ 200,000 each before the XI Summit of the Group. This, it was stressed, was the basis of their participation in the activities of the Group after the X Summit in June 2000. The representative of Iran indicated that while his country had paid its contribution to the current budget, efforts were being made to pay the initial contribution. He added that Iran's understanding of the relevant regulations was that the payment of the initial contribution was to be made within the first year of membership, which according to him, began from the last Summit in Jakarta. This view was also shared by the representative of Colombia who also indicated that efforts were being made to pay his country's regular contribution to the 2001 budget and the initial contribution.

**Item 9 – Other Business**

- **Briefing by Malaysia on the progress of the arrangements to convene a G-15 Expert Meeting on the International Financial Architecture**

17. The PR of Malaysia informed the meeting that the Malaysian Ministry of Finance and

the Central Bank had requested for more time for the preparations for the Expert Meeting on the International Financial Architecture. As a result, the said meeting would be deferred to November 2001 in Malaysia.

18. The PR of Egypt reiterated the need for the Group to be represented at the meeting of the Finance Ministers of the G-24, on the margins of the annual meeting of the IMF/World Bank, which had been deferred to a later date this year because of the recent events in the United States. The Chairman observed that he had taken due note of the suggestion and would request Caracas to consider the possibility of sending a representative to the meeting.

19. On this note, the meeting was adjourned.

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