



GROUP OF FIFTEEN
The Summit Level Group of Developing Countries

G-15/01/PR71/2

Date issued: 09 January 2002

Distribution: GENERAL

SEVENTY-FIRST MEETING
OF THE PERSONAL REPRESENTATIVES OF THE
HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN

Geneva, 23 October and New York , 14 November 2001

SUMMARY RECORDS

1. The 71st Meeting of the Personal Representatives (PRs) of the Heads of State and Government of the Group of Fifteen was held on Tuesday, 23 October 2001 in Geneva, and resumed on 14 November 2001 in New York, 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/PR71/1/Rev.1** was adopted with the inclusion of "Update on G-15/G-8 Dialogue" as sub-item 4(d).

Item 2 - Report of the Chairman on the preparation of activities during the chairmanship of Venezuela

3. The Chairman informed the PRs that the Government of Venezuela was preparing a programme of activities with initiatives in the field of Energy and Development, which constitutes the basic theme of the XII Summit, as well as in the area of Science and Technology. The precise activities include the following:

- Two Expert Meetings on Science and Technology: the first to be held on 6-7 December 2001 and the second in March 2002 respectively, in Caracas;
- Meeting of G-15 Ministers of Science and Technology, to be held in June 2002 in Caracas;
- An Expert Meeting on Energy and Development will be held in second quarter of 2002, in Caracas;
- Meeting of G-15 Ministers of Energy, to be held in July 2002 on the margins of the XII Summit in Caracas.

4. The meeting was informed that the Government of Venezuela will provide local hospitality for two experts from each member country participating in each Expert Meeting. A background document for the first Expert Meeting on Science and Technology was circulated at the meeting and PRs were urged to facilitate the nomination of their experts and the early return of duly completed Registration Form for the meeting. The Chairman informed that the background documents for the other meetings will be provided in due course. He conveyed President Hugo Chavez's strong commitment to the implementation of other G-15 member countries' initiatives launched during the Chairmanship of Venezuela.

/...

5. At the resumed session in New York, the Chairman announced that, as part of South-South Cooperation, Venezuela will offer to member countries eighteen (18) scholarships on its Training Programme for International Economic Negotiators. Mexico informed the meeting that the International Conference on Financing for Development, which it will host in March 2002 in Monterrey, Mexico, would among other objectives, address poverty eradication and contribute significantly to meeting the targets of the Millennium Declaration. In light of the importance of the conference to developing countries in general, and the G-15 in particular, Mexico proposed to convene in New York, an informal meeting of G-15 Experts on finance, to hold preferably in January 2002, prior to the 4th Meeting of the Preparatory Committee of the Conference, scheduled for 14 January 2002 in New York. While not objecting to this proposal, some member countries observed that the G-15 effort in this regard should be limited to informal consultations, since the G-77 and China was already acting on behalf of all developing countries. It was noted that coordination between the G-15 and the G-77 would be facilitated in the following year when Venezuela would, incidentally, occupy the Chairmanship of both Groups. The Chairman pledged Venezuela's commitment and support to the various initiatives by other member countries. These included, Malaysia's plan to convene an Experts Meeting on the Reform of the International Financial Architecture; the International Conference on Financing for Development to be hosted by Mexico in March 2002; as well as Brazil's and India's initiative on Access to Medicines and Intellectual Property within the WTO.

Item 3 – The Meeting of the G-15 Ministers of Foreign Affairs on the margins of the United Nations General Assembly Session, 15 November 2001, New York; Draft Provisional Agenda for the Meeting; The Commission

6. The Chairman recalled that at the previous meeting on 14 September 2001, the PRs reviewed and amended the Draft Provisional Agenda of the 23rd Meeting of the Ministers of Foreign Affairs and drew their attention to the revised version of the said draft agenda, contained in document **G-15/01/L.4/Rev.2** of 22 October 2001. He informed the meeting that in light of the new dates for the General Debate of the United Nations General Assembly, the 23rd Meeting of the Ministers of Foreign Affairs will be held on 15 November 2001, in New York. He explained that the choice of this date took into account consideration for Foreign Ministers who also double as Trade Ministers, who will have to travel from Doha to New York on the conclusion of the 4th WTO Ministerial Conference on 13 November 2001. A further consideration taken into account was the Muslim holy month of Ramadan due to start on 16 November 2001. On the meeting of the PRs to be held on 14 November 2001, the Chairman observed that if it would prove difficult for some PRs to arrive in New York from Doha before that day, the alternative would be hold the PRs meeting in the morning of 15 November and the Foreign Ministers Meeting in the afternoon of same day. This, he noted, would only be possible on the understanding that the TSF would not be able to finalize some documents for the Foreign Ministers Meeting and that his Report to the Ministers would have to be oral. In the event, flexibility would be required on the part of the PRs to allow the TSF to finalize the documents after the meeting. The Chairman noted that the key substantive issue on which action by the Ministers would be required were the approval of the Proposed 2002 Budget and the appointment of the members of the Commission and its inauguration in order to commence its activities.

7. In response to the Chairman's presentation, the comments and suggestions made by

the PRs included the following:

- That it was necessary to extend invitations to Foreign Ministers for them to confirm their availability for the meeting on 15 November 2001 in order to determine if a quorum existed or otherwise;
- Some member countries noted that since the Meeting of G-77 Foreign Ministers will be held on 16 November 2001, there should be no difficulty in holding the G-15 Foreign Ministers Meeting on 15 November 2001;
- It was observed that it would be difficult for some PRs and Foreign Ministers who also double as Trade Ministers to arrive in New York from Doha in time for the meetings;
- In light of time constraint facing PRs who will be traveling from Doha, it was suggested that the PRs meeting could be held in the afternoon of 14 November 2001, thus allowing the TSF sufficient time to finalize documents for the Foreign Ministers Meeting the next day;
- Item 2 of the Draft Provisional Agenda of the 23rd Meeting of the Foreign Ministers was amended to read: *Report by the Chairman of the Personal Representatives on the follow-up of the implementation of the decisions of the XI Summit and other activities of the Group.*

8. In summing up, the Chairman observed that the consensus was to propose the Meeting of the Foreign Ministers for 15 November 2001, and that the PRs would check the convenience of this date with their respective Foreign Ministers and communicate the outcome to the Chair/TSF by 5 November 2001 at the latest. It was further agreed that the meeting of the PRs would be held in the afternoon of 14 November 2001.

9. At the resumed session of the meeting on 14 November 2001 at 5 p.m. local time in New York, the PRs further considered arrangements for the Meeting of the Foreign Ministers and recommended the Draft Provisional Agenda of the meeting. Further discussion and consultations were held on the establishment of the G-15 Commission. With regard to the features and terms of reference of the Commission, as outlined in the paper entitled “G-15 Commission for the Improvement of Efficiency in the Implementation of the Group’s Decisions”, the following comments and observations were made:

- Expression of appreciation to the Government of Venezuela for its efforts to revitalize the Group in the attainment of its objectives;
- A view was held by some member countries that the original intention of the Heads of State in Jakarta was to establish a high level Commission, composed of very senior officials with political clout and visibility, preferably from the capitals, and not a body made up of some PRs; the foregoing notwithstanding, they agreed to go along with any consensus, particularly as the Commission’s work and status would be evaluated at the next Summit;
- A majority of the PRs stated that the proposals on the Commission were products of very intensive and extensive consultations among member countries, and that it represented a fine balance and appropriate compromise on which to proceed; besides, it was noted that PRs represented their Heads of State/Government in person;
- The Inventory of Decisions of Summit Meetings prepared by the TSF was endorsed as a valuable input to the work of the proposed Commission and its thematic Coordinators;
- That the Commission should work on ad hoc and open-ended basis, and that the report of its initial work will be forwarded to the Foreign Ministers, and then to the next Summit for evaluation; it was therefore noted that the mandate of the proposed Commission was flexible and subject to annual review;

- A view was expressed that the final outcome should be flexible enough to complement existing mechanisms without undermining or duplicating them;
- That the establishment of the Commission invariably correlates to the role of the TSF; a PR stressed the need to further enhance the TSF had been long overdue and that this was required to enable it shoulder greater responsibility that the establishment of the Commission would entail; it was stressed in particular that additional professional officers should be recruited and the post of Head of the TSF elevated; it was recalled that the matter was a pending issue from an earlier meeting of the PRs that should be taken up as early as possible in order to elevate the role and efficiency of the TSF in the implementation of the Group's decisions; another PR stated that the recruitment of a short-term consultant could be considered, taking into account the previous deliberations of the PRs in 1998 on this question;

10. In summing up the discussion, the Chairman remarked that the consensus was in support of the proposals outlined in the paper on the Commission and that it was agreed to transmit it to the Foreign Ministers for their approval. Thereafter, he informed the meeting that informal consultations were yet to be concluded among member countries to nominate six additional PRs, two from each region, to complete the membership of the Commission. However, on the morning of 15 November 2001, significant progress was recorded in the informal consultations. In addition to the three members of the Troika, i.e., Venezuela, Indonesia and Algeria, the PRs endorsed the following nominations for the six additional members of the Commission:

- Africa: Nigeria and Zimbabwe
- Asia: India and Malaysia
- Latin America and the Caribbean: Brazil and Peru

Item 4 – Follow up of other Decisions of the XI Summit:

(a) Report of the consultations led by Venezuela, in preparation for the forthcoming 4th WTO Ministerial Conference in Doha, Qatar

11. The Chairman informed the PRs that, in line with the mandate given to him at the previous meeting to conduct informal consultations with G-15 Ambassadors to the WTO on the substantive aspect of the preparatory Meeting of the G-15 Ministers of Trade scheduled for 8 November 2001 in Doha, he was only able to meet a limited number of them due to the difficulty of scheduling meetings. He drew the attention of the meeting to the Draft Elements of a G-15 Ministerial Declaration to the 4th WTO Ministerial Conference which he had prepared, taking into account the Joint Communiqué of the XI Summit and positions of G-15 countries in the WTO. He proposed that the draft document could serve as the initial basis of the work of a G-15 Working Group to be convened to discuss and to elaborate upon it.

12. While commending the Chairman for his efforts, the PRs made the following observations and suggestions:

- Some PRs remarked that the purpose of the meeting was to enable the Trade Ministers to exchange views and as a result, no useful purpose would be served at this late hour, in issuing a G-15 Declaration, separate from the one to be issued by the WTO in Doha. It was therefore suggested that consideration could be given to the preparation of a briefing note for the Ministers, reflecting the views of members and the status of negotiations on

the current Draft WTO Ministerial Declaration;

- It was noted that it was not the practice of G-15 Ministers of Trade to issue Declarations and so, it would be preferable for the outcome of their meeting to be a Report, reflecting common grounds that could be used by G-15 negotiators in Doha. It was however pointed out by others that this option may not be realistic as negotiators from G-15 countries would be more concerned with making maximum use of the limited time available in Doha to pursue their national initiatives and interests;
- Several member countries suggested that a short and focused political statement by the Trade Ministers on some key issues could be considered in order to enhance the visibility of the Group. It was however noted by some that it could be misleading for the Group to pronounce itself on some issues while being silent on others;
- A view was expressed that careful consideration should be given to establishing as an objective of the Meeting of the Ministers of Trade and Economy, the coming up with a common position document, given the diversity of priorities among member countries at that moment;
- Another option proposed was that a Working Group could be convened to consider the Chairman's Draft Elements of a Declaration and to leave it to the Trade Ministers to decide on its final form, i.e., whether it should remain as a Declaration or a Statement.

13. At the resumed session of the meeting, the Chairman remarked that due to the lack of time in Geneva and other considerations, it was not possible to convene an experts meeting on the matter. He stated however that it was considered that a meeting at a more advanced stage of the Conference in Doha would enable the Ministers of Trade/Economy to exchange views on the Draft Ministerial Declaration of the WTO. In Doha, there was the intention to hold an informal G-15 consultations on the vexed issue of the TRIPs Agreement and public health, the main remaining area pending agreement between the developed and developing countries. However, since Brazil and India were already playing the lead role in coordinating the efforts of developing countries in the negotiations with the developed countries on the subject, it was no longer necessary to proceed with a G-15 informal meeting on the issue. The Chairman availed himself of the opportunity to brief the meeting on the progress of negotiations at the Doha Ministerial Conference before his departure. According to him, the issues of textiles, agriculture, environment, as well as TRIPs and public health were very contentious. These, he concluded, were the only pending issues by the time of his departure from Doha.

14. At the request of the Chairman of the G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS), the PR of Egypt distributed a Report on the recent roundtable held by the body in Cairo in October 2001 in preparation for the Doha Ministerial Conference of the WTO on some Decisions of the WTO and conveyed the request of the Chairman of FCCIS to be allowed to formally present the Report to the Trade Ministers in their meeting in Doha. He also remarked that it could be useful for the preparations for Doha if member countries could avail themselves of the Report of the Meeting of the Islamic Development Bank on WTO matters which was held on 14-15 October 2001 in Jeddah.

15. In summing up the discussions, the Chairman remarked that a Working Group of G-15 WTO Experts could be convened the following week, upon the release of the new draft of the 4th WTO Ministerial Declaration. The experts would prepare a draft input for the Trade Ministers who will then decide on the final form it should take.

(b) Report by Malaysia on the progress on the establishment of G-15 ICT Task Force

16. In her oral report, the PR of Malaysia introduced a paper entitled, *Proposal to Establish G-15 ICT Task Force* elaborating Malaysia's proposed modalities on the subject. She noted that while the 1st Meeting of the Task Force would be convened in Malaysia by February 2002, it was envisaged that a meeting of the Task Force would be held back-to-back with the XII Summit and its recommendations forwarded to the PRs. She noted that due emphasis should be given to the importance of ensuring continuity in the appointment of its members and that the Chairmanship of the Task Force should be for one year and based on the principle of rotation. The PR of Malaysia urged member countries to respond to the proposal within two weeks to enable Malaysia to finalize the paper before the New York Meeting of the Foreign Ministers. She stated that Malaysia would further consult with other interested member countries.

17. The PR of Egypt observed that he had no information that Malaysian authorities consulted with the relevant Egyptian agency in the preparation of the proposals tabled, as agreed at the last PRs meeting. He noted with concern that the Egyptian proposal on a G-15/ICT Online Resource Centre already agreed upon was not given the treatment it deserved in the Malaysian paper. To that end, he introduced amendments to the Malaysian paper. Responding, the PR of Malaysia observed that while the relevant Egyptian authorities failed to honour the invitation extended to them by their Malaysian counterpart, the concerns of Egypt were nevertheless taken into account in the Malaysian proposal on the Task Force. The PR of Egypt stated that the invitation received by the Egyptian authorities from Malaysia was in relation to the project on Trade Points and not on the proposed G-15/ICT proposal. The Chairman enjoined PRs to react to the Malaysian proposal within the next two weeks to enable the comments and suggestions of their countries to be taken into account in the finalization of the proposal on the establishment of the ICT Task Force. At the resumed session of the meeting, Malaysia introduced an amended version of the proposal and informed that the first meeting of the G-15 Task Force on ICT will be held on 20-21 February 2002 in Kuala Lumpur, Malaysia.

(c) Report by Colombia on the informal consultations on the establishment of the G-15 Working Groups, dealing with multilateral trade matters, and intra G-15 trade

18. The PR of Colombia informed the meeting that due to the difficulty in scheduling appointments, he had only been able to hold informal consultations with 17 PRs on the subject. He reported that the general trend among member countries was a positive support for the importance of the assignments to be carried out by the two proposed Working Groups. He noted that while a consensus existed on enhancing intra-G-15 trade, the procedure to be applied would have to be determined and agreed upon. On multilateral trade matters, he observed that the consensus was that the determination of a common ground among member countries should be carried out, preferably, after the Doha Ministerial Conference of the WTO. The PR of Colombia noted that the only divergence of views was the way to achieve both objectives, as some member countries expressed preference for the establishment of two separate Working Groups, while others preferred a single Working Group to deal with both assignments, as appropriate. He however remarked that some countries cautioned on the tendency to establish new structures, in addition to the existing mechanisms dealing with same matters. In this regard, the PR of Egypt reiterated that intra-G-15 trade was within the mandate of the CITT and that it was the latter, and not the PRs, that could decide the necessity or otherwise of the establishment of a Working Group on intra-G-15 trade. He endorsed the establishment of a Working Group on international trade matters, on an ad hoc

basis to handle a particular assignment, upon the request of the PRs. He reminded the meeting of the need to consider a date for the next CITT Meeting as the body was required to meet twice a year. To conclude the consideration of the agenda sub-item, the Chairman stated that the report of the PR of Colombia on the outcome of his consultations will be reflected in the report to the Foreign Ministers.

19. At the resumed meeting in New York, Colombia remarked that, with the conclusion of the 4th WTO Ministerial Conference, the discussion on the establishment of the Working Groups would now be resumed in Geneva. Colombia informed the meeting that it was working on an initiative on a G-15 Trade Data Base, which it earlier proposed in Jakarta. A document on the proposal will be presented to member countries for consideration in due course.

(d) Update on G-15/G-8 dialogue

20. The Chairman referred to paragraph 2 of the Background Notes for the G-15/G-8 Dialogue prepared and circulated by the TSF which provided details on the subject. He made particular reference to the meeting in Italy on 12 October 2001, between H. E. President Chávez of Venezuela and Prime Minister Silvio Berlusconi of Italy (President of the G-8), in the course of which the importance of the G-15/G-8 Dialogue was considered. Both leaders agreed on a meeting of the Troikas of both groups, to be held in May/June 2002. Among other important issues addressed on that occasion was the condemnation of terrorism by President Chávez and Prime Minister Berlusconi and the expression of concern on the possibility that the current events could escalate the conflict. Regarding Financing for Development, both leaders addressed the importance of creating mechanisms oriented to increasing the effectiveness of resource flows to developmental objectives. The meeting was informed that President Chavez was also making efforts to sustain this dialogue with the Prime Minister of Canada who will assume the Presidency of the G-8 in the year 2002. The Chairman also informed the PRs that Venezuela renewed its efforts to re-establish contact with the Italian Foreign Minister for the envisaged meeting with G-15 Foreign Ministers in New York. He stated that with the rescheduling of the date of the Meeting of the Foreign Ministers, it was later learnt that the Italian Foreign Minister would not be in New York during the period. The Chairman remarked that, at the level of the Personal Representatives, efforts were under way to resume the informal dialogue with Ambassador Francesco Olivieri, Personal Representative of the Prime Minister of Italy to the G-8.

Item 5 - Financial and Administrative Matters:

(a) Revised Proposed Budget for the year 2002

21. In re-presenting the Revised Proposed Budget for the year 2002, contained in document **G-15/01/L.5/Rev.1**, the Chairman informed the PRs that the proposed Budget amounting to about CHF. 1,176,700 (US\$ 735,437), had been reduced by CHF. 20,000 as requested at the previous meeting. He drew the attention of the meeting to the Comparative Table in Annex II of the document and informed the PRs that, based on his suggestion, an exchange rate of 1.6 percent was used instead of 1.65 percent which the TSF had applied because of the uncertainty on how the market would react to the introduction of the Euro in 2002. This, he noted, was precautionary, and aimed at ensuring a surplus rather than a deficit depending on the behaviour of the market. The Chairman referred to paragraph 4 of the Note to the Proposed Budget, outlining the feasible financing option, against the background of the

present difficulties related to a high level of unpaid contributions. The option would require that annual contribution be retained at US\$ 25,000 per member, while the shortfall will be met from the accumulated interests for next year and part of the savings on the current year's budget. The meeting recommended the Revised Proposed Budget for 2002 and the financing option for onward transmission to the Ministers of Foreign Affairs for consideration and approval.

(b) Contributions in Arrears and Annual Contributions for 2001

22. The Chairman informed the PRs that the financial situation of the Group had not improved, with over US\$ 800,000 in unpaid contributions. He urged the relevant member countries to take early action on the matter. Some member countries observed that it was unfair for the financial burdens of the Group to be borne by only some member countries. Iran informed the meeting that its initial contribution of US\$ 200,000 had just been paid into the Group's account. Kenya similarly informed that it had just paid its outstanding annual contributions to the Group's account.

c) The Vacant Post of Head of the TSF

23. The Chairman informed the meeting that six candidates had applied for the post from the following G-15 member countries: Colombia (1), Iran (2), Kenya (1), Nigeria (1), Venezuela (1). The Chairman sought the mandate of the PRs to proceed with consultations to constitute the Selection Panel and noted that in line with practice, any PR whose country had a candidate would not qualify to serve on the Panel.

Item 6 – Other Business

24. On the paper on the G-15 Commission, the Chairman informed the meeting that the titles of two thematic areas were slightly amended on the recommendation of the TSF. Because of the difficulty in separating "Intra G-15 Trade" from Summit decisions on South-South Cooperation, thematic areas (a) and (c) now read as follows:

- a. South-South Cooperation, including Intra G-15 Trade, Investment and Technology Development.
- c. International Trade

25. The Chairman informed the meeting that the Proposed Framework for an Inventory of Summit Decisions prepared and circulated at the meeting by the TSF was a factual account and would serve as a useful input to the work of the Commission. The PR of Egypt observed that while it was a good document, it would have been better if the decisions taken on each thematic area over the years were classified together. Responding, the Chairman stated that the Inventory was a data base that could be presented in different styles and that the TSF prepared it as directed.

26. The PR of Malaysia referred to copies of the Malaysian letter addressed to member countries on the proposed G-15 Expert Group Meeting on the Reform of the International Financial Architecture (IFA). She urged member countries to assist in identifying their

appropriate senior official, from the Central Bank, Ministry of Finance or other relevant agencies, to be a member of the Expert Group on the Reform of the IFA. The PR of Malaysia remarked that the meeting of the Expert Group in Kuala Lumpur was initially planned for October/November 2001 but had to be postponed to early 2002 because of recent developments. She stated that relevant background papers for the meeting would be circulated in due course. The PR of Egypt urged Malaysia to provide the precise date and the Provisional Agenda of the meeting in good time, to enable experts to prepare for the meeting.

27. At the resumed session in New York, Iran generously informed of its offer to host the XIV Summit of the Group to be held in the year 2004. The announcement was warmly received by member countries with appreciation, and to be conveyed to the Foreign Ministers accordingly. The PR of Egypt enquired on what new steps were contemplated to further the objective of the G-15 initiative on a Comprehensive Employment Strategy. He recalled that a meeting of G-15 ILO Experts was held during the recent ILO Global Employment Forum and wanted to know if any action was taken to ensure that the G-15 initiative was integrated into the ILO Programme Budget for 2002-2003. He urged the Chairman to establish contact with the Director-General of the ILO in this regard. Responding, the Chairman stated that he was yet to receive the outcome of the said expert meeting and that the matter would be followed up in Geneva.

28. On his part, the Permanent Representative of Zimbabwe in New York referred to the ongoing difficulties between his country and Britain/the European Union over its land reform programme. He remarked that it was a matter of equitable redistribution, and not dispossession or alienation of land currently monopolized by a few white farmers for which it sought the Group's understanding and support. He stated that since Zimbabwe had raised this matter in the Non-Aligned Movement, the G-77 and China, as well as the OAU, it was appropriate to brief the G-15 on the development. Accordingly, the Permanent Representative of Zimbabwe in New York said he would raise the matter at the Meeting of the Foreign Ministers the next day.

29. On that note, the meeting was adjourned.
