



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

**G-15/02/PR75/2**

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**SEVENTY-FIFTH MEETING**  
**OF THE PERSONAL REPRESENTATIVES OF THE**  
**HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN**  
Geneva, 31 May, 14 and 21 June 2002

**SUMMARY RECORDS**

1. The 75<sup>th</sup> Meeting of the Personal Representatives (PRs) of the Heads of State and Government of the Group of Fifteen was held on 31 May, and resumed on 14 and 21 June 2002 in Geneva, under the Chairmanship of Ambassador Blancanieve Portocarrero, the Permanent Representative of Venezuela.

2. The Chairman solicited the support and cooperation of the PRs on the substantive preparations for the XII Summit. In return, the PRs welcomed her to their midst and pledged their support towards ensuring the successful accomplishment of the tasks ahead.

**Item 1 – Adoption of the Agenda**

3. The meeting adopted, without amendment, the Provisional Agenda contained in Document **G-15/02/PR75/1/Rev.2**.

**Item 2 - Substantive preparations for the XII Summit:**

**(a) Further consideration of the Draft Joint Communiqué of the XII Summit;**

4. In light of the substantial work pending on the Draft Joint Communiqué (DJC) of the XII Summit, it was agreed at the first session of the meeting to defer the consideration of this agenda item. At the second session of the meeting, PRs considered the revised DJC which had incorporated the outcomes of the series of informal meetings held on some paragraphs of the document. The remaining paragraphs (13 to 21) of the DJC were considered and amended as appropriate, at the second and third sessions of the meeting. At the latter session, PRs further revisited entire paragraphs 1 to 8 of Revision 6 of the DJC, and agreed to continue their work on the entire draft text at informal meetings.

**(b) Briefing on logistical arrangements for the XII Summit;**

5. The Chairman informed the PRs that every effort was being made by the Government of Venezuela to ensure the successful hosting of the XII Summit, as scheduled. She recalled

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that formal invitation letters, Provisional Programme of events of the Summit, the Provisional Agendas for the Meetings of the Ministers of Foreign Affairs, as well as the Indicative Provisional Agenda of the Plenary Meeting of the Summit have already been circulated. She drew attention of PRs to the document entitled, Administrative Arrangements (Preliminary Aide-Memoire) which contains very important information on logistical arrangements for the Summit. Member countries were enjoined to give particular attention to the information provided therein, and to expeditiously complete and return the relevant Registration Forms (10 in number) by 17 June 2002.

6. The Chairman informed that the Plenary Meetings of the XII Summit and all other official meetings will be held at the Caracas Hilton hotel, while the venue of the Summit Retreat will be indicated in due course. PRs were informed that the Government of Venezuela will provide accommodation and cover the costs of hospitality for the Heads of State, Ministers of Foreign Affairs and Ministers of Energy, including their spouses. Personal Representatives will also be provided accommodation and hospitality. In addition, offices will be provided for delegates at the Caracas Hilton Hotel, furnished with tables, chairs and one computer with Internet access. PRs were invited to note that ten hotel rooms will be reserved for each delegation until 17 June 2002 and that accommodation needs of each delegation should be forwarded as indicated without delay. The Chairman observed that further clarifications on the foregoing and other aspects, such as transportation, security, accreditation, G-15 Trade Fair, travel arrangements, telecommunications, etc, are to be found in the Administrative Arrangements (Preliminary Aide-Memoire). She also drew attention to the document entitled, Press Preliminary Aide-Memoire which contains relevant information on the participation of representatives of the media. The meeting was informed that further information on the Summit Retreat will be provided in due course.

7. Some member countries noted the absence of any private sector activity other than the G-15 Trade Fair, against the background that business roundtables were usually held during Summits. The question of providing facilities for a meeting of the FCCIS in Caracas was also raised. In response, PRs were informed that due to unforeseen developments in Venezuela, it might prove difficult to accommodate any other private sector activity, including the FCCIS and BIF. The meeting was however informed that further consultations were being held with the Venezuelan Chamber of Commerce on private sector activities. PRs were assured that the Trade Fair brochure mentioned in the Aide-Memoire will be made available in due course.

### **(c) Presentation of the Draft Caracas Declaration on Energy and Development;**

8. The Chairman referred to the Draft Caracas Declaration on Energy and Development which had been circulated to the PRs. The meeting was informed that the Draft Declaration took into account, the outcome of the Experts Meeting on Energy and Development which was held from 25-26 February 2002 in Caracas. The document, it was noted, proposes an initiative on a framework of cooperation for identifying and implementing concrete projects in the energy sector to respond to the needs of G-15 member countries, as well as to increase the production and consumption of modern energy sources in the LDCs. The meeting was also informed that, with a view to facilitating consensus on the document, bilateral consultations were being held with PRs in order to accommodate their comments. PRs were further requested to submit their written suggestions on the draft text to this end. PRs were informed that the final draft would be forwarded to the Ministers of Energy for their consideration at their meeting in Caracas. Several delegations remarked that they were still

expecting comments on the draft text from their capital. In this regard, a deadline for the submission of comments was agreed for Thursday, 27 June 2002.

**(d) Consideration of the Draft Provisional Agenda for the 24<sup>th</sup> Meeting of the Ministers of Foreign Affairs and the Indicative Provisional Agenda of the Plenary Session of the XII Summit of Heads of State and Government;**

9. PRs considered the Draft Provisional Agenda for the 24<sup>th</sup> Meeting of the Ministers of Foreign Affairs and the Indicative Provisional Agenda of the Plenary Session of the XII Summit of Heads of State and Government, contained in document **G-15/02/L.2**. There was an overwhelming view among the PRs that both draft agendas were too detailed and bureaucratic, and therefore not appropriate for presentation to the Foreign Ministers and Heads of State and Government, respectively. It was therefore agreed to depart from the traditional approach by reviewing the Group's working methods, including the streamlining and rationalization of both agendas, taking the following considerations into account:

- That reports on the meetings and activities of the Group, financial and administrative matters should be dealt with in the Report of the Chairman of the Personal Representatives to the Ministers of Foreign Affairs;
- That Ministers of Foreign Affairs should be given ample time and the rare opportunity to exchange views on the current international situation, rather than be saddled with routine matters or discuss energy and development which is a subject more suited to the Meeting of Ministers of Energy;
- With a view to further rationalizing the Indicative Provisional Agenda of the Heads of State and Government, it was agreed that the exchange of views on the theme of the Summit (Energy and Development) should be broadened to enable Heads of State and Government to exchange views on global developments of interest to member countries. This would facilitate political dialogue at the highest level on issues of mutual interest.

10. In line with the foregoing considerations, revised versions of the Draft Provisional Agenda for the 24<sup>th</sup> Meeting of the Ministers of Foreign Affairs and the Indicative Provisional Agenda of the Plenary Session of the XII Summit of Heads of State and Government, contained in document **G-15/02/L.2/Rev.1**, were further considered at the second session of the 75<sup>th</sup> Meeting of the PRs held on 14 June 2002. The streamlined agendas were further amended to read as follows:

**Provisional Agenda of the Meeting of the Ministers Of Foreign Affairs:**

1. Adoption of the Agenda.
2. Consideration of the Report by the Chairman of the Personal Representatives of the Heads of State and Government of the Group of Fifteen on the activities of the Group and endorsement of financial matters.
3. Consideration of the Draft Joint Communiqué of the XII Summit of the Group of Fifteen.
4. Exchange of views on the current international situation.
5. Other matters.

### **The Indicative Provisional Agenda of the Summit of Heads of State and Government:**

1. Adoption of the Agenda.
2. Report by the Chairman of the XXIV Meeting of the Ministers of Foreign Affairs of the Group of Fifteen.
3. Exchange of views on the current international situation, including Energy and Development.
4. Report by the Chairman on the Outcome of the Retreat of Heads of State and Government of the Group of Fifteen.
5. Consideration and adoption of the Draft Joint Communiqué of the XII Summit of the Group of Fifteen and the Draft Caracas Declaration on Energy and Development.
6. Other matters.

11. In the course of the consideration of the agendas under reference and other aspects of the preparations for the XII Summit, the following comments were made by some member countries:

- That consideration should be given to the extension of the time allocated to the Plenary session of the Summit;
- Information should be provided on the topic to be discussed by Heads of State and Government at their Retreat;
- That arrangement should be made for Regional Spokesmen to address the Inaugural Session of the XII Summit in line with practice;
- A suggestion was made to encourage Foreign Ministers to engage in an interactive dialogue to facilitate spontaneous exchange of views rather than reading statements;
- That avenues should be sought to bring to the attention of the Foreign Ministers, the outcomes of the work of the G-15 Expert Group Meeting on the Reform of the International Financial Architecture and the G-15 Task Force on ICT. With regard to the latter, Malaysia remarked that since the proposed Caracas meeting of the ICT Task Force will no longer hold, PRs should address how the rotation of the Chairmanship of the Task Force would be effected.

#### **(e) Briefing on the outcome of the Meeting of the Ministers of Science and Technology, held on 21 May 2002 in Caracas.**

12. The Chairman informed PRs that the Meeting of the Ministers of Science and Technology was held as scheduled on 21 May 2002 in Caracas. She noted that the significant outcomes of the meeting included the need for technical and financial cooperation among governments, the protection of traditional knowledge, capacity building, promoting biotechnology programmes, access to know-how and transfer of technology as well as the promotion of ICT-driven economic development, among others. She noted that the Ministers of Science and Technology recommended the establishment of a Task Force on Biotechnology to promote dialogue and follow-up actions between the developing countries on the one hand, and between them and the developed countries on the other hand.

#### **Item 3 – Consideration of the Proposed List of Themes for future meetings between the G-15 and the G-8**

13. At the first session of the meeting, the Chairman stated that the Proposed List of Themes for future meetings between the G-15 and the G-8 was drawn up to update the

existing list of topics for the dialogue with the G-8. She noted that agreement on the new list will determine the agenda for the future meetings between both groups, towards which Venezuela had already established contact with Canada, the current Chairman of the G-8. In their response, some PRs made the following comments:

- Whether it was necessary to propose a new list in place of the existing one on which dialogue had been held with the G-8;
- While a note of caution was sounded on the temptation to draw up a long list of issues, it was however suggested that both lists could be harmonized and rationalised, using a set of criteria which should include the overall objectives, modalities, expected results, time-frame, etc;
- That while the issue of the fight against poverty proposed in the new list was too broad for any meaningful dialogue with the G-8, the new issue of market access was too narrow;
- That international trade issues, including market access and public health, were already covered by the multilateral trading system in the existing list;
- That the reform of the international financial architecture, employment, education and training were excluded from the new list;
- It was considered unrealistic by some, to expect that the G-8 would engage in a meaningful dialogue with the G-15 on the important issues of external debt and multilateral trading system;
- That Energy and Development could be included since it is the theme of the XII Summit;
- A proposal was made for the inclusion of Environment because of its implications for development as well as the forthcoming World Summit on Sustainable Development;

14. In response to some of the foregoing comments, the Chairman noted that the existing list was no longer current, taking into account new international dynamics and the theme of the XII Summit. She stated therefore that the proposed list was meant to address this gap and to provide a purposeful basis and a win-win situation for future dialogue with the G-8. At the third session of the meeting, the Chairman briefed the PRs on the outcome of a meeting held on 20 June 2002 with Ambassador Christopher Westdal of the Permanent Mission of Canada in Geneva on the future dialogue with the G-8. PRs were informed that Ambassador Westdal had established contact with Ambassador Robert Fowler, the current G-8 Sherpa of Canada, on the possibility of arranging a meeting with G-15 PRs during the chairmanship of Algeria. It was noted that Canada was favourably disposed to having a joint meeting of both groups at least once a year. Canada also considered that a joint meeting of the Troikas of Ambassadors of both groups during the second half of this year in Geneva or New York, could be a useful step toward the definition of a common agreed agenda for the future activities of both groups on development related issues. PRs were informed that Ambassador Westdal disclosed that Mr. Michel Camdessus will become the G-8 Sherpa of France, upon the assumption of the chairmanship of the G-8 by France in January 2003.

15. The Chairman informed PRs that Canada had provided materials on thematic issues to be considered during the G-8 Summit in Kananaskis and that this would be made available through the TSF. It was mentioned that the agenda of this G-8 Summit will consist three main points, namely, G-8 economic management, the fight against terrorism and the New Partnership for Africa's Development (NEPAD). It was disclosed that some representatives from Africa, including Kenya and Senegal, have been invited to address the G-8 Summit on the NEPAD initiative. The Chairman also informed the meeting that Canada had requested for some G-15 materials to be fed into the G-8 deliberations.

#### **Item 4 - Financial matters**

##### **(a) Further consideration of an alternative investment proposal;**

16. The Chairman recalled the deliberations on the subject at the previous meeting and invited PRs to comment on the revised alternative investment proposal submitted by the Troika, as contained in document – **G-15/02/PR75/3**.

17. Malaysia observed that the current investment practice of the G-15 was quite conservative as the funds were invested mainly in fixed deposits, with maximum tenures of up to two years and noted that there was potential to enhance the investment horizon to increase returns with a minimal increase in risk, with priority placed on capital preservation as well as safety, liquidity, and optimized returns. Malaysia noted that while the proposed investment in the Mexican Fixed Income Dollar Fund could enhance returns, it carried much higher credit risks compared to the existing investment criteria as Mexico's investment grade rating by Standard and Poors (S&P) was BBB, representing the lowest investment grade rating by S&P. It was noted in this regard that an initial investment of US\$1 million in the Mexican Fund, which is approximately 20% of the current total invested funds, would be very significant. In view of the foregoing considerations, Malaysia proposed the following instruments, which it considered of much higher quality than the Mexican Fund and of slightly better yields compared with current G15 investments:

- To invest 80% of G-15 funds in institutions or issues of securities with a minimum credit rating of AA (S&P) or Aa2 (Moody's);
- To invest in dollar denominated debts issued by other G-15 member countries with long-term foreign currency credit rating of BBB and above. This approach would also diversify the credit risks among several sovereign papers.
- To invest in US dollar papers issued by sovereigns, supranationals, US Agencies (such as Ginnie Mae, Fannie Mae and Freddie Mac) and asset backed or mortgage backed securities so as to enhance returns without incurring much deterioration in credit quality. For example, Ginnie Mae, which has an explicit guarantee from the US Government, would currently give a yield of 6.60% (UST+150 bps).

18. On its part, India observed that the proposal to invest US\$ 1,000,000 in the Mexican Fixed Dollar Fund would represent 20% of the Group's total investment. Since this was considered significant, India stated that the matter needed further consideration and that it was better to be cautious by investing safely rather than courageously. In light of the foregoing considerations, the Chairman noted that there was no agreement on the TROIKA's recommendation and urged member countries that wish to propose other investment options to do so.

##### **(b) Budget Variance Report for the 1<sup>st</sup> Quarter of the year 2002;**

19. The Chairman formally presented the Budget Variance Report for the 1<sup>st</sup> Quarter of 2002, as contained in document – **G-15/02/PR75/INF.1**. The Report was also noted by the PRs.

**(c) Financial Report for the year 2001;**

20. The Chairman formally presented the Group's Financial Report for the year 2001, as contained in document– **G-15/02/AUD**. This Report was also noted by the PRs.

**(d) Consideration of the Proposed Budget for the year 2003.**

21. The Chairman formally presented the Draft Proposed Budget for the year 2003 to the PRs for their consideration, as contained in Document **G-15/02/L.3**. She noted that the proposed Budget amounted to US\$ 725,847 and that, compared with the approved Budget for 2002, a number of budget lines had decreased in actual amounts while others have remained the same. She observed that the overall objective was to present a zero-growth budget. The Chairman drew the attention of the Personal Representatives to **Annex III** of the document, providing two alternatives for financing the proposed budget. The first option involves the financing of the Budget for the year 2003 from annual contributions maintained at the previous level of US\$ 25,000 per member country (a total of US\$ 475,000) and income from investments for the year 2003, estimated at around US\$ 208,504. This would leave a shortfall of US\$ 42,343 which could be financed from eventual savings on some budget lines of the current budget. The second option involves the financing of the budget with income from investments and annual contributions only. It was noted that in this regard that, if the estimated income from investment (around US\$ 208,504) is deducted from the proposed expenditures for 2003, there will be a balance of US\$ 517,343 to be shared among member countries. This will lead to an annual contribution of US\$ 27,300 per member. In this case, any savings on some budget lines of the current budget could be reinvested.

22. Before inviting the Personal Representatives to endorse either of the above options for financing the Proposed Budget for the year 2003, the Chairman drew the attention of the meeting to the high level of outstanding contributions from member states which has drastically reduced the Group's income from investments as well as the capacity to carry out its functions. She, therefore, stated that if the situation continued, member countries could be compelled to increase the level of annual contributions.

23. PRs expressed strong concern on the high level of outstanding contributions, which stood at US\$ 898,592 and urged member countries who were in arrears of contributions to take urgent steps to meet their financial obligation to the Group. It was generally observed that it would be unacceptable to increase the level of annual contribution to the 2003 Proposed Budget owing to the failure of some member countries to meet their financial obligation. Some member countries informed the Meeting that efforts were being made to settle their outstanding financial contributions. A view was expressed that sanctions should be applied against member countries that failed to meet their financial obligations as practised in some international organizations. Another view expressed was however that the Group needed to carry out its political functions more efficiently to attract early payment of financial contributions member countries and that non-payment of dues may be related to the lack of capacity to pay. The TSF was requested to send reminders to member countries on the payment of arrears. The consensus of the meeting was that the Proposed Budget should be financed through Option 1, involving the retention of annual contribution per member country at US\$ 25,000 and the use of income from investments as well as eventual savings on some budget lines of the current budget.

24. In response to some questions on why there were marginal increases in respect of some Common Staff Costs and Capital Assets, the TSF clarified that, in addition to variation arising from exchange rate differences, the figure quoted for the Common Staff Costs included provisions for the three existing vacancies that would eventually be filled. With respect to the decrease in the cost of servicing the XIII Summit in Algiers, compared with that of the XII Summit in Caracas, the TSF explained that the difference was accounted for by the reduced airfare and DSA for Algiers. With respect to the SFr. 10,000 allocated to Capital Assets, the TSF explained that the provision was to enable it purchase its own beamer for use with a portable computer to facilitate drafting work on DJCs, as it was at times difficult to get one from the UNOG. Algeria, the next Chairman of the Group, noted that no figure was given for a possible pre-Summit meeting of the PRs in Algiers in the year 2003. PRs were invited to bear in mind that if such a meeting was considered necessary by the government of Algeria, a provision would have to be made in the Proposed Budget.

#### **Item 4. - Other Business**

25. The Chairman informed the meeting that the Troika had considered the necessity to fill the existing vacancies in the TSF. She noted that the TSF has been working for a while now without the full complement of approved staff positions and that it was therefore necessary to initiate the process of filling the vacant positions, particularly as preparations for the XII Summit have gathered momentum. The vacant positions include the following:

- Economic Affairs Officer (P4 position): Vacant since the appointment of the new Head of the Technical Support Facility, with effect from 1 May 2002;
- Secretary (G4 position): It will be vacant as from 1 August 2002, following the decision of the present occupant to resign at the end of July 2002; and
- Part-time Secretary (G4 position): To complement the work of the Administrative Secretary. This post has been vacant since January 2001.

26. The Chairman mentioned that the post of Economic Affairs Officer could be filled by selecting one of the unsuccessful short-listed candidates who applied for the post of the Head of the TSF in light of the preparations for the XII Summit. Alternatively, she proposed that PRs could authorize the Troika to commence a fresh recruitment process by issuing the appropriate Vacancy Announcements for the vacant positions in the TSF and the establishment of a Selection Panel in line with existing practice.

27. While a view was expressed to fill the post of Economic Affairs Officer by picking one of the short-listed candidates who unsuccessfully applied for the post of the Head of the TSF, the overwhelming view among the PRs was to throw open all the vacant positions and that applications should be restricted to nationals of G-15 member countries only. The Troika was therefore mandated to advertise the vacancies and to conduct the recruitment process by itself, taking into account the principle that any Troika PR that has a candidate from his or her country would not participate in the selection process.

28. The PR of Malaysia drew the attention of the meeting to the outstanding contributions by a number of member countries to the South Investment, Trade and Technology Data Exchange Centre (SITTDEC) which have adversely affected the activities and future of the project. She therefore appealed to member countries in arrears of contribution to make effort to settle their financial obligations to the project by 30 June 2002 to enable the SITTDEC to continue to provide its services. It was recalled that the TSF had circulated a Note from the

SITTDEC, entitled “Financial Position of South Investment, Trade and Technology Data Exchange Centre (SITTDEC)” on 29 April 2002, to which there was no response from affected member countries. The Chairman urged the affected member countries to respond to the appeal issued by the PR of Malaysia on behalf of the SITTDEC.

29. The 75<sup>th</sup> Meeting of the PRs was formally adjourned, on the understanding that PRs will continue their work on preparations for the XII Summit in informal meetings.

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