



GROUP OF FIFTEEN
The Summit Level Group of Developing Countries

G-15/02/PR77/2

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SEVENTY-SEVENTH MEETING
OF THE PERSONAL REPRESENTATIVES OF THE
HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN
Geneva, 16 December 2002

SUMMARY RECORDS

1. The 77th Meeting of the Personal Representatives (PRs) of the Heads of State and Government of the Group of Fifteen was held on 16 December 2002 in Geneva under the Chairmanship of Ambassador Blancanieve Portocarrero, the Personal Representative of the President of Venezuela.
2. The Chairperson introduced the Vice Minister of Foreign Affairs of Venezuela, Mr. Arevalo Méndez Romero, who was present at this meeting in order to formally hand-over the Chairmanship of the Group to Algeria.

Item 1 – Adoption of the Agenda

3. The meeting adopted its Provisional Agenda contained in Document **G-15/02/PR77/1**.

Item 2 - Financial matters:

(a) Consideration of the Revised Proposed Budget for 2003

4. As it was not feasible to hold a Meeting of the Ministers of Foreign Affairs before the year 2003, owing to the cancellation of the XII Summit, PRs had agreed to seek authorization from their respective Foreign Ministers to consider and approve the Revised Proposed 2003 Budget for implementation. Having obtained the required authorization, the PRs considered the Proposed Budget, contained in document **G-15/02/L.3/Rev.1**, for implementation. In her presentation of the budget proposals, the Chairperson drew the attention of the meeting to Annex III of the Proposed Budget, outlining the modality for financing the Proposed Budget. The PRs agreed that the budget should be financed by maintaining each member country's contribution at US\$ 25,000 and using the income generated from the Group's investments. This alternative would leave a shortfall amounting to US\$ 93,204 that will be covered from savings in the current budget. Accordingly, PRs approved the Proposed Budget for 2003,

along with the financing option outlined in Annex III, as contained in document **G-15/02/L.3/Rev.1**.

5. In approving the Proposed Budget for the year 2003, the following comments and observations were made:

- Some delegates suggested the possibility of a mechanism for conducting a thorough examination of future budget proposals, investments, annual contributions and how to optimize the use of the Group's resources; however, it was noted in this regard that this role was already being performed by the Troika PRs;
- It was considered important to relate budget to the overall performance of the Group in the attainment of its objectives, i.e., a sort of cost-benefit analysis;
- While a mention was made on the need to further explore the possibility of reducing the annual contribution by member countries, the point was however made that the levy of US\$25,000 per member country was reasonable;
- In light of the increasing reliance on incomes from investments for budgetary purposes, more attention should be given to the management of the Group's investments to ensure better returns and risk reduction;
- Several PRs frowned at the significant level of outstanding contributions and urged affected member countries to meet up with their financial obligations to the Group;
- It was necessary to speed up the process of filling up the existing vacancies in the TSF, for which budgetary provisions have been made.

(b) Consideration of the Budget Variance Report for the 2nd and 3rd Quarters of 2002

6. The Chairperson formally presented the Budget Variance Report for the 2nd and 3rd Quarters of 2002, prepared by the official auditors of the Group. It indicated the difference between the Approved 2002 Budget and Actual Expenditures for the periods in question, as contained in Document **G-15/02/PR77/INF.1**. The Report also contained the status of the Group's investments for the periods. The Budget Variance Report for the 2nd and 3rd Quarters of 2002 was formally noted by the PRs.

Item 3 - Consideration of the Report of the Chairperson of the G-15 Commission

7. After a brief introduction of the subject by the Chairperson, the Personal Representatives undertook an appraisal of the Commission's report with a view to making their recommendations on the future work of the Commission. In light of the cancellation of the XII Summit, PRs agreed that, in the interim, the Commission should continue its work with its present membership in order to ensure continuity until the next Summit. It was also agreed that, in the circumstance, any difficulties relating to the coordination of the thematic areas of the Commission's work should be adjusted through consultations among Troika PRs.

Item 4 - Transfer of the Chairmanship of the Group:

- (a) Transfer of Chairmanship at the administrative level**
- (b) Transfer of Chairmanship at the political level**
- (c) Concluding remarks by the Vice Minister of Foreign Affairs of Venezuela**

8. The Chairperson informed the meeting that following the cancellation of the XII Summit, the Government of Venezuela took a number of actions to effect the process of orderly transfer of Chairmanship of the Group, at both the political and administrative levels, to Algeria in order to ensure continuity in the management of the Group's affairs. To this end, she disclosed that on 14 December 2002, H. E. President Hugo Chavez dispatched a Special Envoy to deliver a handing over letter to H. E. President Abdelaziz Bouteflika of Algeria, the in-coming Chairman of the Group. She noted that the latter expressed understanding and solidarity with Venezuela on its current difficulties, and gave assurances of Algeria's readiness to assume Chairmanship of the Group. The Chairperson stated that the outcome of this consultation was positive. She remarked that with this demarche, the Government of Venezuela had fulfilled the procedure for the transfer of Chairmanship agreed upon by the PRs at their previous informal meeting here in Geneva. With a view to facilitating an orderly hand-over at the administrative level, the Chairperson caused the circulation of a list of major documents embodying the collective work of the Group under the Chairmanship of Venezuela. These included the Draft Joint Communiqué of the XII Summit, the draft Declaration on Energy and Development, the 2003 Budget, Report of the Chairman of the PRs (to be amended and updated), among others. She noted that the Ministers of Energy could hold further consultations to finalize and release the draft Declaration on Energy and Development, or alternatively, to have it finalized and adopted at a future meeting. The Personal Representative of Malaysia however demanded, and it was agreed, that the proposed amendments to the draft Declaration on Energy and Development submitted by Malaysia should be reflected in the revised version of the document to be handed over. The Chairperson noted that the documents constitute the Group's collective patrimony that could serve as inputs to its future work.

9. However, the Permanent Representative of Algeria informed the meeting that the instruction he received from the capital on the response of the Government of Algeria was that the transfer of Chairmanship should be carried out at a Summit Meeting of Heads of State/Government of the G-15 in line with the Group's practice. He stated that the Government of Venezuela may therefore wish to host the Summit in 2003, citing a 1993 precedent when India had to host the Summit the following year. He stressed that, whatever the circumstance, it was important for the cohesion and integrity of the Group to adhere to the institutionalized procedure for transferring Chairmanship. He underscored that, beyond the mere transfer of Chairmanship, it was only in the course of a Summit that the Heads of State/Government of the Group could undertake a review of the current international situation, evaluate the work carried out by the Group in the preceding year, as well as agree on the future work programme or mandates of the Group. He noted therefore that the matter was of a fundamental nature and beyond the mandate of the PRs to decide upon as it bordered on the rules of procedure of a Summit-level Group. Without prejudice to the foregoing, he observed that should the Government of Venezuela be unable to convene a Summit, PRs may then wish to propose that an informal Meeting of the Ministers of Foreign Affairs could be held in 2003 in Geneva to discuss the issue. The Chairperson noted however that the Government of Venezuela had made all the necessary preparations for the successful hosting of the XII Summit in October 2002 which had to be cancelled at the last moment for reasons

beyond its control, particularly the lack of attendance of some member countries. She stated that the Government of Venezuela was not in a position to host the Summit in 2003 and that a way has to be found to initiate the process of a smooth transfer of Chairmanship.

10. In the various interventions made by some PRs on the matter, it was underlined that efforts should be made to agree on a smooth and acceptable medium of transfer of chairmanship to ensure the vitality and continuity of the Group's activities. The governments of Venezuela and Algeria were therefore urged to intensify consultations to resolve the matter between themselves, and with other Heads of State/Government.

11. In his intervention, the Vice Minister of Foreign Affairs of Venezuela, Mr. Arevalo Méndez Romero, observed that his presence at the meeting is a testimony to the importance attached to the Group by President Hugo Chavez. He noted the new direction taken by the Group in addressing issues of importance to countries of the South. He acknowledged the progress made by the Group in implementing the mandates arising from the XI Summit in Jakarta, including the materialization of the G-15 Commission and other programmes. The Vice Minister remarked that, rather than being apprehensive on the position of the Government of Algeria on the transfer of Chairmanship of the Group, he saw the present situation as an opportunity for further consultations to ensure the continuity of the Group. He stated that it was President Chavez's wish to sustain the Group's current impetus and cohesion. In light of the response of the Government of Algeria and comments made by some PRs, the Vice Minister of Foreign Affairs of Venezuela gave assurances that further consultations would be held between H. E. President Hugo Chavez and H. E. President Abdelaziz Bouteflika, as well as with the other Heads of State/Government of the G-15, with a view to agreeing on an acceptable mode of transfer of Chairmanship in the present circumstance. On this note, the Chairperson remarked that the next meeting of the PRs will be convened upon the conclusion of the envisaged consultations at the highest political level.

Item 5 - Other Business

12. In the absence of any other matters to be considered, the meeting was therefore adjourned.
