



GROUP OF FIFTEEN
The Summit Level Group of Developing Countries

G-15/05/PR86/2
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EIGHTY-SIXTH MEETING
OF THE PERSONAL REPRESENTATIVES OF THE
HEADS OF STATE AND GOVERNMENT OF THE GROUP OF FIFTEEN

Geneva, 2 May 2005

SUMMARY RECORDS

1. The 86th Meeting of the Personal Representatives (PRs) of the Heads of State and Government of the Group of Fifteen was held on 2 May 2005 in Geneva, under the Chairmanship of Ambassador Idriss Jazairy, the Personal Representative of the President of Algeria to the Group of Fifteen.

2. The Chairman welcomed the Personal Representatives to this meeting, which he considered very important as it marked a new beginning in the continuing quest to retool the Group in light of its past experiences and the evolving challenges of today. He invited the PRs to join him in warmly welcoming to their midst, the distinguished Members of the Panel of External Consultants, namely, Professor Muchkund Dubey (India), representing Asia, Ambassador Dr. Mounir Zahran (Egypt), representing Africa and Dr. Cassio Luiselli Fernandez (Mexico), representing Latin America/Caribbean. He remarked that, against the background of their sound knowledge and vast experiences in the contemporary challenges facing developing countries, he was confident that the External Consultants would satisfactorily accomplish their onerous tasks and present the Group with outcomes that would be profound and pragmatic. The Chairman regretted the absence of several PRs at the meeting and expressed the hope that this would not be taken as an indication of the level of priority attached by them to G-15 affairs.

Item 1 – Adoption of the Agenda

3. The meeting adopted its Provisional Agenda, without amendment, as contained in Document **G-15/05/PR86/1**.

Item 2 - Exchange of views between the Personal Representatives and the Consultants to examine the situation of the Group.

4. The Chairman recalled the recent extensive discussions among member countries on the need for a reappraisal of the Group's founding objectives, orientation, working methods and institutions. He underlined that the overall objective is to reposition the Group in light of its past experiences and the new realities of today with a view to enhancing its efficiency and relevance to the generality of its membership. He noted that the Group was opening a new chapter in its efforts to revamp itself by inviting accomplished external experts to assist in critically examining the situation of the Group and to recommend the way forward. For the Panel of External Consultants to properly understand the scope of the challenges they will address, the Chairman restated the two

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inter-related tasks in the Terms of Reference already given to them. Before inviting the Personal Representatives to engage the External Consultants in a free and frank exchange of views, the Chairman noted that the External Consultants would continue with their substantive work up to the end of the week to see if they could conclude their assignment or to continue thereafter and to submit their final documents within a month. He stressed that at the end, the Consultants were required to submit a substantive Report with viable and pragmatic recommendations as well as a concrete Plan of Action on the various proposals, including their feasibility and financial implications, as appropriate.

5. In their various interventions, PRs reiterated the relevance of the decision to engage the services of accomplished External Consultants to examine the situation of the Group, described by some as having reached crisis proportions. They generally acknowledged that, in spite of its modest achievements, the Group faces daunting challenges and still had a long way to go to justify its *raison d'etre* as a ginger group for South-South Cooperation. They underscored the point that, as an economic grouping of key and dynamic countries from the developing regions of the world, the relevance of the G-15 in the realities of today is more compelling than it was in 1989 when the Group was founded. The highlights of the main prognosis and suggestions made by the Personal Representatives, to which they invited the attention of the External Consultants, include the following:

- That the inability of the Group to satisfactorily attain its founding objectives and to justify the immense political commitment and optimism at its birth should not be attributed solely to the Group itself, but principally to the changed international environment with its new concomitant challenges, such as the intrusive demands being made on developing countries and the misplaced expectation of a new dawn in North-South Dialogue for International Development;
- That the Group's orientation and working methods had unwittingly assumed a mechanical process, with an unwieldy wish-list as well as maximalist and extraneous demands, including in the political domain, which the Group was ill equipped to handle;
- That it was imperative for the Group to focus on well defined development challenges and to work on them with the required zeal and renewed political commitment to attain the desired result. Regret was expressed on the inability of the Group to impact on the discourse on vital issues on the international economic agenda such as the WTO negotiations and UN reforms dealing with international economic issues. It was also stressed that the Group should return to its roots, promote synergies and avoid delving into matters already adequately addressed by other South bodies;
- Against the background of the daunting challenges confronting developing countries today, the importance of strengthening solidarity, cooperation and coordination within the Group and between the latter and other developing countries' groupings was emphasized;
- The need to take drastic action to revive, rather than undermine the Group by seeking and putting forward fresh ideas or a new mission statement on its orientation and working methods, to which member countries would be receptive no matter how critical;
- It was underscored that the principal advantage of G-15 membership is that it provides a platform for G-15 Heads of State and Government, through Summit Retreats, to interact informally and to engage in frank exchange of views on issues on the global development agenda that are of common concern to them and other developing countries with a view to adopting a common strategy;
- It was considered imperative for member countries to demonstrate the required political will to participate actively in the Group and to show readiness to host its activities. This, it was stressed, required that member countries should attach higher priority to the affairs of the Group from the level of the Personal Representatives to the Summit of Heads of State and Government;

- Great concern was expressed on the inability of the Group to host its yearly Summit in the recent past due to difficulties with the required quorum. Within this context, it was observed that, if biennial Summits would be the solution, then political commitment was required to ensure that it is held regularly and well attended. To this end, it was observed that participation at the highest political level is a function of the concrete value to be derived from attending a Summit, weighed against the background of the daunting challenges of today and competing demands that divert the attention of our political leaders from the affairs of the G-15. It was also suggested that the Consultants should examine the need to change the procedure of G-15 Summit such that, the transfer of Chairmanship is made to the country hosting a Summit, in place of the current practice;
- Strong doubts were expressed on the value of G-15 Joint Communiqués which merely replicated the known positions of delegations of member countries in the various negotiating fora in Geneva;
- On the dialogue with the G-8, it was noted that, in light of the known lack of interest by the G-8, it would not be proper and fitting for the G-15 to go begging. It was therefore emphasized that it is when the G-15 succeeds in establishing its international credibility that the G-8 would be compelled to recognize it as a worthy interlocutor;
- Against the background of its objectives, the Group should radically streamline and rationalize its cooperation mechanisms with a view to eliminating overlapping functions and seeming lack of purpose. To this end, it was recommended that the Consultants should, in particular, review the necessity or otherwise of the Committee on Investment, Trade and Technology (CITT), the High-level Officials Commission and the Business and Investment Forum (BIF);
- Caution was raised on the feasibility and financial implications of the proposals to establish a South Bank, a South Television Network and a South University; It was observed, for instance that, in spite of the broad acceptance of the proposed G-15 Africa Fund, only two member countries made pledges of support;
- The necessity of strengthening the Technical Support Facility of the G-15 was stressed to enable it cope with its increasing responsibilities;
- That cooperative projects should be rationalized and revitalized to enable both coordinating and participating countries to derive real benefits that would provide the needed incentive to carry on. A question was even raised on the logic of operating cooperative projects whose success requires private sector involvement in an era when our governments were actively engaged in the policy of privatisation;
- That the External Consultants should undertake a courageous review of the Group's *raison d'etre* and all aspects of its affairs and put forward frank and incisive recommendations that would be implementable. Furthermore, they should ask critical questions, such as, "Should the G-15 be a sub-sect of the G-77 or NAM?"; "Should the G-15 be an informal Group?"; "Should the G-15 serve as an interlocutor with the G-8?" "Should the G-15 be essentially a lobby Group?" "Should the G-15 be a project-based Group?" Once these questions were answered, then the Consultants would be in a position to propose the right actions and directions the G-15 could take. The Consultants were therefore urged to present their report and Action Plan as early as possible to enable PRs decide a date for the meeting of the High-level Officials Commission. This, it was emphasized, was important to enable G-15 Deputy Foreign Ministers, who will lead their delegations to the Commission meeting, to include the date in their agenda.

6. In his summary of the main thrusts of the interventions by the PRs, the Chairman noted the consensus that the *raison d'etre* of the G-15 is more relevant today than it was when the Group was established in 1998. He observed that in light of its challenges and difficulties, the so-called crisis within the Group should be seen as an opportunity to particularly redress the enormous gap between what the Group should do and what it is actually doing. He also noted the broad expression of the need for member countries to recommit themselves to the purposes of the Group by demonstrating

the needed collective political will. This, he noted, demanded the presence of concrete interests and gains to be derived from the Group's activities. The Chairman further observed the expressed need to determine areas of common interest to forge critical consensus by clearly defining whether the Group should focus principally on economic issues as originally intended or take on political issues. He also observed the need for the Group to clearly define its persona and to create added value that would elicit enthusiastic participation from member countries. He further noted the need for member countries to determine how much attention they were prepared to accord to bilateral, regional and multilateral cooperation on the one hand, and to the G-15 on the other. He further noted the caution on the utility, feasibility and cost implications of some of the South-South Cooperation proposals emanating from the 12th Summit, which, in spite of their attraction, could not receive favourable consideration in other South fora. In light of this consideration and the need not to bite more than we could chew, he observed the necessity for proper consultations to see if the proposals could fly before taking further action. He noted that the various aspects of the problematic that the Group has been called upon to address included: its institutions; procedures; duplication of mandates; legitimate areas of focus; cohesion and consensus building.

7. In his response, Dr. Cassio Luiselli Fernandez (Mexico), the External Consultant representing the Latin American/Caribbean region of the G-15, observed that the Group was facing an identity crisis and that strong political will was required to address its difficulties and challenges. He noted that the absence of a majority of the PRs at the meeting was in itself a statement in this regard. He cautioned on the tendency within the G-15 to duplicate the work of well-established groupings of developing countries and other pro-South institutions. He noted that the emergent challenges before the Group was how to cope with the realities of today, particularly the new international development agenda, as ramified in the proposed UN Reforms, WTO Doha Negotiations, international financial volatility, new regional groupings, among others. He further observed that the Group had to contend with the heterogeneous nature of its membership, including the fact that some member countries were more developed than others. He wondered why some key developing countries like Turkey, South Africa, Thailand, Morocco and China were not invited to join the Group. He noted with regret the progressive difficulties in organizing regular Summits, which he observed was related to the question of political will and the stake involved in participating in the event.

8. On his part, Ambassador Dr. Mounir Zahran (Egypt), the External Consultant representing the African region of the G-15, welcomed the exercise and considered the two-fold aspects of their mandate as timely and inspiring. On the seeping difficulty of organizing a G-15 Summit, he advised that the Group should not place itself in a straight jacket. To this end, he referred to a similar problem in the course of the 7th Summit in 1997 in Kuala Lumpur in the midst of the Asian financial crisis, which was resolved with flexibility. He recalled that Jamaica, which was billed to host the next Summit, had indicated its inability to organize the event in 1998 and Egypt, which was not even a member of the Troika Countries, volunteered and eventually hosted the 8th Summit in 1998 in Cairo. He therefore observed that with the needed political will and a measure of flexibility, such problems could be easily resolved. He acknowledged that the challenges confronting the G-15 today were greater than those of the late 1980s, as encapsulated in the failure of the North-South dialogue in Cancun and the advent of a unipolar world. He attributed most of the difficulties facing the G-15 and other developing countries to the countries of the North. He expressed the hope that he and his colleagues would endeavour to conclude their work on Friday, 6 May 2005.

9. In his intervention, Professor Muchkund Dubey (India), the External Consultant representing the Asian region of the G-15, observed that, in their interventions, the PRs had given them thoughtful comments and good guidelines for the task at hand. As one who was personally involved in midwifing the birth of the G-15, he considered as very relevant, a question raised on the true identity of the G-15. He recalled that when the NAM had become unwieldy and lost its

direction, early attempts were made without success to create a smaller group within it to imbue a sense of purpose. Subsequent effort outside the NAM led to the creation of the G-15 in 1989. The G-15, he recalled was designed to pronounce, from the South perspective, on world economic trends and to serve as an authoritative voice of developing countries because of the politico-economic weight of its original members, who were carefully selected. He noted further that the Group was expected to provide a launch pad for dialogue with the G-8 in the belief that its voice and the issues it pronounced upon were supposed to be compelling enough to attract the attention of the G-8. He also recalled that South-South Cooperation was not among the original ideas contemplated, but had to be included later at the instance of the government of Indonesia with a view to creating leverages vis-à-vis other developing countries, for example, through cooperative projects.

10. Professor Dubey emphasized that addressing political issues were far from the original purpose of the G-15. He warned that to take on political issues would weaken and undermine the Group as it has done to the G-8 today in respect of the latter's goal of coordinating global economic policy. He acknowledged the assertion that current developments in the world economic situation have given greater relevance to the original objectives of the G-15. He observed in this regard that new issues have emerged on the global economic agenda, such as the complex WTO negotiations, new technologies particularly ICT, the wave of new regionalism, and the emergence of China and South Africa as new dynamic emerging economies that merit G-15 membership. He noted that with their increasing share of global GDP and trade flows, developing countries of which G-15 members are key players, have more opportunities for cooperation and the potential to enhance their international leverage. He mentioned in this regard that, what developing countries were unable to attain in the WTO could be achieved within the framework of the GSTP. He concluded that the continuing existence of the G-15 remained very valid in spite of the presence of regional groupings, G-77, NAM and the emergence of new issue-specific groups particularly in the WTO. He called upon the G-15 to rise above and empower these bodies.

11. At the end of the exchange of views, the Chairman commended all participants for their invaluable contributions to set the very important task in motion. He noted that the overall aim of the exercise was to renew and re-energize the G-15 as it endeavoured to deepen realistic South-South Cooperation and to influence the course of international developments as they impacted on the prospects of developing countries in general and G-15 member countries in particular. He expressed appreciation to the outstanding members of the Panel of External Consultants for honouring the invitation to serve the group and expressed hope that they would conclude their task while in Geneva or shortly thereafter. He was joined by PRs in endorsing the suggestion to organize an informal meeting for interaction with the Consultants before the latter's departure from Geneva. The informal meeting was subsequently held on 6 May 2005, which gave PRs the opportunity to receive the final report of the External Consultants and to make preliminary comments. It was agreed to defer to the next PRs meeting to be held shortly, any substantive consideration of the Panel's report, particularly the next approach to be taken in dealing with it.

Item 3 - The state of the Committee on Investment, Trade and Technology (CITT) and the prospects of the implementation of G-15 Projects.

12. The Chairman drew the attention of the meeting to the paper prepared by the Technical Support Facility on the state of the Committee on Investment, Trade and Technology (CITT) and the prospects of the implementation of G-15 projects – Document **G-15/05/PR86/INF.2**. He noted that the CITT was established as a key instrument for intra G-15 economic cooperation with its Governing Council principally made up of Personal Representatives. He stated that it was intended to periodically evaluate, guide and facilitate trade, investment and technology cooperation between G-15 member countries. He noted that, prominent among CITT activities is the periodic evaluation

of the implementation of on-going G-15 collaborative projects, an area that had been facing some difficulties of late. He invited the meeting to note the aspect of the TSF paper highlighting some shortcomings that weakened the proper functioning of the organ and the less than successful efforts made to redress the situation. He invited the Head of the TSF to briefly summarize the submission on the subject.

13. In his presentation, the Head of TSF stated that in spite of the series of discussions in recent CITT meetings as well as the outcome of the evaluations made by the TSF, the CITT proved unable to surmount its shortcomings as identified in the TSF paper. He noted that these shortcomings, among other factors, invariably weakened the Group's capacity to implement decisions. As a result, the XI Summit held in Jakarta in 2001 decided to establish the G-15 Commission to Improve the Implementation of the Group's Decisions. He remarked that rather than making the desired difference, the establishment and manner of the functioning of the Commission inadvertently created another layer of problems as rightly observed by Personal Representatives at their meeting held on 9 February 2004 in the run-up to the rescheduled XII in Caracas, where they concluded that the Commission duplicated the work of the CITT and PRs' Meetings. He noted that while the Commission was subsequently restructured by the Foreign Ministers in 2004 in Caracas, the reforms introduced failed to address the scope of its mandate that evidently duplicated or usurped the primary responsibility of the CITT. He therefore invited the attention of the PRs to the recommendations of the TSF paper on the two alternative actions open to this meeting, namely:

- (a) To convene a meeting of the CITT and, as part of the steps to revamp the organ, to request Project Coordinating Countries to submit a plan of action on activities to be undertaken under each project for the period 2005/2006; or
- (b) To specifically refer the problem of the conflicting mandates of the CITT and the Commission, particularly the responsibility over project implementation, to the Panel of External Consultants for examination with a view to making appropriate recommendations since the Panel's tasks include the rationalization of G-15 cooperation mechanisms.

14. In his ruling, which was accepted by the meeting, the Chairman directed that the matter should be referred to the Panel of External Consultants for proper examination with a view to making appropriate recommendations.

Item 4 - Briefing on preparations for the 13th Summit.

15. The Chairman recalled his briefing during the previous PRs' meeting on the programme of work drawn up by an Inter-Ministerial Committee established by the government of Algeria for the successful hosting of the 13th Summit in Algiers. He assured the meeting that steady progress was being made in this regard. Within this context, he noted the first workshop on "*e-governance and ICT Applications and Content Industry*" that was successfully held on 18 - 19 April 2005 in Algiers. He informed the meeting that the government of Algeria was awaiting the decision of the government of Iran, which will only be known after the latter's national elections by May 2005, on its hosting of the 14th Summit to enable it fix a firm date for hosting the 13th Summit in Algiers. He assured the meeting that once indications were received from Tehran, a meeting of the PRs would be convened.

16. A representative of Algeria took the floor to briefly present the main highlights of the workshop on "*e-governance and ICT Applications and Content Industry*". In the presentation, it was disclosed that the event was highly successful with the participation of experts from 14 member countries of the G-15. The highpoint of the workshop, it was noted, was the adoption by the experts of far-reaching recommendations, which included collaboration between G-15 members to share

experiences and benefit from the technical knowledge of each member; investigation of the open-source alternative; mechanisms for collaboration between members; and creation of an experts group to gather information from G-15 countries on current and future ICT developments. Details of the recommendations had been circulated to all PRs in Geneva. The Chairman noted that the workshop was practically the only activity undertaken by the group in recent times and invited the Thematic Coordinators of the G-15 Commission to consider initiating other activities in line with their earlier undertakings.

Item 5 - Administrative and Financial Matters:

(a) Briefing on the recruitment process to fill the vacancies in the TSF;

17. The Chairman informed the meeting that further to his initial report on this exercise, the Selection Panel would meet the following week to shortlist the candidates to be invited for interviews to fill the vacant positions in the Technical Support Facility. He assured PRs that further progress in this regard would be communicated in due course.

(b) Budget Variance Report for the 4th Quarter of 2004.

18. The Chairman introduced the Budget Variance Report for the Fourth Quarter of the year 2004, prepared by the auditors of the Group, indicating the difference between the Approved 2004 Budget and Actual Expenditures for the period in question. He also drew the attention of the meeting to the status of the Group's investments for the period in question, attached to the Report. The meeting subsequently took note of the Report.

Item 6 - Any Other Business

19. In the absence of any other matter to be considered, the Chairman thanked the PRs for their constructive participation. Before adjourning the meeting, he reminded PRs that the informal exchange of views with members of the Panel of External Consultants would be held the following Friday from 2.30 p.m. at the Palais des Nations.
