



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

**G-15/06/FM28/3**

Date issued: 12 September 2006

Distribution: GENERAL

---

Item 2 of the Provisional Agenda

**TWENTY-EIGHTH MEETING OF THE MINISTERS OF FOREIGN AFFAIRS OF  
THE GROUP OF FIFTEEN**

Havana, 12 September 2006

**Report of the Chairman of the Personal Representatives of the Group of Fifteen**

1. My report covers the preoccupations of the Personal Representatives (PRs) of Heads of State and Government of the Group of Fifteen in their meetings and the implementation of other activities of the Group under the Chairmanship of Algeria.

**I. Preparations for the 13<sup>th</sup> Summit**

2. I wish to report that, further to the programmes and priorities outlined by the Government of Algeria as a run up to the 13<sup>th</sup> Summit, a workshop on “*E-governance and ICT applications and industry*” was held in Algiers in April 2005. Participating experts adopted a number of recommendations, which included collaboration between G-15 members to share experiences and technical knowledge; 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. A second Seminar/Workshop on the main theme of the Summit, namely “*Rural and Agricultural Development and Management of Water Resources*” was also held from 3-4 July 2006 in Geneva under the Chairmanship of H.E. Mr Abdelmalek Sellal, Minister of Water Resources of Algeria. The proceedings of the Seminar/Workshop were enriched by the participation of high-calibre guest speakers and important conclusions on rural and agricultural development and water resource management were put forward by experts participating from the majority of G-15 countries. In this regard, the PRs agreed to recommend that the Summit should request the incoming Chairman of the Group to organize a follow-up meeting at a higher level to review the conclusions formulated by the experts at this Seminar/Workshop and to explore the possibility of establishing a G-15 mechanism or clearinghouse for the exchange of experiences on rural and agricultural development and the management of water resources aimed at enhancing good practices and information sharing among member countries. The Report of the Seminar/Workshop is contained in Document **G-15/06/FM28/5** for the consideration of Foreign Ministers.

3. With respect to documentation for the Summit, the PRs reviewed and finalized the provisional agendas for the meetings of the 13<sup>th</sup> Summit. These include the Provisional Agenda of the 28<sup>th</sup> Meeting of the Ministers of Foreign Affairs and the Indicative Provisional Agenda for the 13<sup>th</sup> Summit. The PRs also considered the preliminary Draft Joint Communiqué of the 13th Summit as originally submitted by the Government of Algeria. After incorporating several useful suggestions from member countries, broad consensus was reached on all but Paragraph 32 of the Draft Joint Communiqué on the use of nuclear energy for peaceful purposes. The PRs agreed that this outstanding issue, retained *ad referendum* in Revision 3 of the Draft Joint Communiqué, be forwarded to this Meeting of Foreign Ministers for further consideration and resolution in order to submit an agreed and consensus Draft Joint Communiqué to the Heads of State and Government.

## **II. Outcome of the consultations on the Draft Recommendations submitted by the Personal Representatives on the Report of the Panel of External Consultants on the Examination of the Challenges facing the Group and Evaluation of its Projects for South-South Cooperation**

4. At the 26th Meeting of G-15 Foreign Ministers held in New York in 2004, a mandate was given to the PRs to engage external consultants to examine the situation of the group. To this end, Draft recommendations on the Report of the Panel of External Consultants on the Examination of the Challenges facing the Group and Evaluation of its Projects for South-South Cooperation were submitted to the last meeting of Foreign Ministers. The Ministers of Foreign Affairs expressed their views on the draft and directed Personal Representatives to further consult with a view to forging the needed consensus. The PRs held further consultations in Geneva and were able to arrive at a consensus in relation to the following three outstanding key issues:

(a) With regard to the expansion of the membership of the G-15, while recognizing that priority attention should be accorded to the consolidation and revitalization of the Group, there was agreement on the principle of future expansion should there be an expression of strong interest by a non-member country. In such a case, the specific request would be considered on its merit;

(b) With regard to the Agenda of the G-15, it was generally agreed to focus the agenda and documentation of the G-15 on development issues and South-South Cooperation, while not excluding the political dimensions of development issues;

(c) With regard to Summit procedures, there was consensus that summits should be held biennially, but if a host country offers to host it earlier, this proposal would be reviewed by Personal Representatives with a view to making an appropriate recommendation.

5. The PRs debated other substantive issues extensively and reached agreement on all the draft recommendations. They reaffirmed that the prevailing international environment underscored the continuing relevance of the Group and the need to further energize it. It is acknowledged that the G-15 must adapt itself to the new circumstances and the changed global situation in order to take full advantage of the opportunities presented by globalization and to deal effectively with its downsides, while maintaining its overall purpose and objectives. Among the major changes contemplated are those relating to the agenda of the G-15; the frequency of Summits; as well as to the status of the Committee on Investment, Trade

and Technology (CITT) and the G-15 Commission.

6. They recommended the transfer of the functions of the Committee on Investment, Trade and Technology (CITT) and the G-15 Commission to the Personal Representatives in light of the difficulties experienced in operating these organs. As regards the proposal to establish a South Bank, University of the South and South Television Network that emanated from the 12<sup>th</sup> Summit, it was noted that these project proposals are being operationalized successfully in the Latin American region. It was therefore agreed that the government of the Bolivarian Republic of Venezuela should submit a report to this Summit on the operationalization and implementation of these projects in that region. The proposal to establish a G-15 Africa Cooperation Fund enjoys broad support among member countries. As a result, it was agreed to recommend to Heads of State and Government to launch the proposed G-15 Africa Fund at this Summit. To this end, it is provided in the Draft Joint Communiqué that the Summit will mandate the Personal Representatives to constitute a Working Group to work out the modalities for the implementation of the Fund and to report back to the 29<sup>th</sup> Meeting of Ministers of Foreign Affairs for consideration and approval.

7. I invite the Ministers to note that the Draft Recommendations of the PRs on the Report of the Panel of External Consultants are reflected in Section I of Document **G-15/06/FM28/4**, which will be considered under agenda item 4 of the Meeting of the Ministers. Accordingly, Ministers may wish to consider and endorse the document before its transmission to the Heads of State and Government for consideration and decision.

### **III. Implementation of Other Decisions and Activities of the Group**

8. I wish to report that the Group has taken actions to implement earlier decisions by the Ministers of Foreign Affairs on the need for the G-15 to develop its independent website and to seek cooperation and technical assistance from relevant international organizations. With technical assistance from the ITU and the South Centre, the G-15 website ([www.g15.org](http://www.g15.org)) has become operational. This achievement will go a long way in enhancing the international visibility of the Group, facilitate a better interaction between the Secretariat and member countries as well as improve organizational efficiency. Furthermore, the Group secured the technical assistance of UNCTAD in developing a trade database on G-15 countries in order to facilitate intra G-15 trade.

9. The G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS) held its 12<sup>th</sup> and 13<sup>th</sup> Annual General Body Meetings from 19-21 June 2005 in Cairo and from 22-24 May, 2006 in Kuala Lumpur, respectively. Key among recommendations of the meetings, which the body requested should be brought to the attention of the Summit was that the core activities of the G-15 should be in the field of economic development in which the private sector plays the main role besides the government. This, the body stated, could start with the setting up of Free Trade Areas and the cancellation of double taxation among G-15 member countries. Other recommendations included those on the multilateral trading system, small and medium enterprises, information and communications technology and trade finance. It should be noted however that all but three members of the G-15 are already involved in negotiations on the Generalized System of Trade Preferences between developing countries. The next G-15 FCCIS General Body Meeting will be held in Indonesia in 2007.

10. Within the context of the G-15 Human Resource Training Programme launched by

the Foreign Ministers in Mexico City in 2000, the Government of Egypt, as in the past, has decided to offer additional training courses on Agriculture. In the spirit of further elevating G-15 cooperation, I urge other member countries to step forward to contribute to the strengthening of the Programme by making offers for training in various fields of human development.

#### **IV. Financial Matters of the Group:**

##### **(a) Financial Report of the Group for the year 2005 prepared by the Auditors**

11. Furthermore, I wish to invite Honourable Ministers to formally take note of the Financial Report of the Group for the year 2005 prepared by the official Auditors. The report, indicating the financial position of the Group as at 31 December 2005, is in order and considered satisfactory.

##### **(b) Financial situation of the Group of Fifteen and the Review of the Level of Annual Contribution as mandated by the 27<sup>th</sup> Meeting of the Ministers of Foreign Affairs**

12. I wish to draw the attention of Ministers once more, to the precarious financial situation of the group caused by the persisting level of unpaid contributions. Unpaid arrears now stand at US\$ 536,456, a figure equivalent to 60% of the annual budget of the Group. As evident from the Table on the Status of Financial Contributions, there are some arrears of annual contributions dating back to the previous decade. It should be noted that such a situation is not conducive to the smooth functioning of the Group, especially as it prepares to undertake the reforms needed to reposition itself. It is important to state that this state of affairs has practically eroded the basis for the decision taken by the 21<sup>st</sup> Meeting of the Ministers of Foreign Affairs in 2000 in Mexico City that reduced annual contribution by about a half to their present level. Since it was envisaged that this reduced level of annual contribution was for a trial period of five years, Ministers had agreed that its feasibility should be reviewed when considering the Budget for 2006. It was for this reason that the matter was referred by the Personal Representatives to the 27<sup>th</sup> Meeting of the Ministers of Foreign Affairs in September 2005 in New York. It will be recalled that the Ministers agreed with the recommendation to postpone the review of the level of annual contributions to 2006.

13. Against this backdrop, Personal Representatives exchanged views and agreed to urge Foreign Ministers to explore further measures that could be taken to ensure the timely fulfilment of financial obligations by defaulting member countries. As mandated by the Foreign Ministers, PRs also undertook a review of the level of annual contribution with a view to determining an appropriate amount that would sustain the proper administration of the affairs of the Group. To this end, PRs considered different alternatives for financing the expenditures of the Group as well as their underlying explanations.

14. Personal Representatives also gave serious consideration to Colombia's decision to withdraw from the Group, conveyed in its letter of 5 July 2006, and the implication of this development on the country's outstanding contributions amounting to US \$350,000.

15. In order to ensure the sustainability of the Technical Support Facility (TSF) in furtherance of the objectives of the G-15, PRs have recommended:

- a) to maintain maximum budgetary stringency and optimal management of liquidities;
- b) that member countries in arrears make maximum effort to fulfill their outstanding financial obligations by the end of 2006;
- c) to arrive at an agreed schedule for the full payment of dues by countries in arrears after 31 December 2006;
- d) and to consider drawing up a Code of Conduct on financial responsibility of membership in order to encourage member countries to live up to their financial obligations to the Group in the future. The measures in this regard could include actions to be taken with regard to member countries when in arrears of contributions for more than two years.

16. Personal Representatives (PRs) noted with appreciation the statements of the PRs of Mexico and Venezuela, in the course of their resumed session on 11 September 2006 in Havana, that the total amount of their arrears would be paid up by the end of 2006 and that of Zimbabwe and Kenya indicating that their arrears would be paid by the end of September 2006. This should reduce the arrears by an amount of about US\$ 170,000.

17. All member countries committed themselves to remain current on their contributions to the budget while providing back-payments on arrears when these exist. On this basis, PRs recommended that the level of annual contribution of member countries remain unchanged at US\$ 25,000. However, all member countries in a position to do so, were encouraged to make voluntary contributions in order to improve the sustainability of the TSF.

18. It was agreed that the Troika PRs would contact the Permanent Representative of Colombia to the UNOG and address through her a letter in the name of the G-15, to her authorities noting with appreciation, the fact that “the Government of Colombia identifies itself with the goals of the Group of Fifteen” and looking forward to a time when this country can overcome its current difficulties and rejoin the G-15. The Troika PRs were also requested to discuss with Colombia the settlement of its outstanding dues to the G-15. Pending further developments in this regard, the TSF was instructed to hold the debt of Colombia, amounting to US\$ 350,000, in abeyance and not to include it in its budgetary projections for the current year.

### **(c) Draft Proposed Budget for 2007**

19. I wish to draw the attention of the Honourable Ministers to the proposed Budget of the Group of Fifteen for the year 2007 contained in Document **G-15/06/FM28/7**. The estimates, which were prepared under my supervision, were considered and endorsed by the Personal Representatives. The proposed Budget, which amounts to CHF 1,169,587 (i.e., US\$ 950,884), is within the range of the approved budgets for the last five years, and I wish to highlight that it represents a decrease over that of the previous year. It would have been preferable to increase resources in light of the overall political objectives underpinning the proposed budget, but on the basis of realism, efforts will be made to do more with the same level of resources. I therefore invite Ministers to consider and approve the proposed Budget for 2007, along with the recommended financing option, as recommended by the Personal Representatives.

#### IV. Other matters

20. In keeping with the convention of regional rotation, PRs from the Latin American/Caribbean region have been requested to consult among themselves on the issue of deciding the host for the XVth Summit of the G-15 to be held following the next Summit to be hosted by Iran. It was agreed that pending the resolution of this matter, the Bolivarian Republic of Venezuela would continue to represent that region on the Troika Board of Supervisors.

\*\*\*\*\*

21. To conclude, I wish to invite the attention of the Foreign Ministers to the Annex to my Report, which contains Draft Recommendations submitted for your consideration and adoption on the various aspects of my Report as well as issues before you that require action at this meeting (Document **G-15/06/FM28/4**).

22. May I avail myself of this opportunity to express my appreciation to all the PRs for their invaluable cooperation and support during my Chairmanship and to urge them to accord the same to my successor.

\*\*\*\*\*