



GROUP OF FIFTEEN
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REPORT OF THE CHAIRMAN OF THE TWENTIETH MEETING
OF THE MINISTERS OF FOREIGN AFFAIRS

1. The 20th Meeting of the Ministers of Foreign Affairs of the Group of Fifteen was held on 17 June 2000, in Cairo, Egypt, under the Chairmanship of His Excellency Mr. Amre Moussa, Minister of Foreign Affairs of the Arab Republic of Egypt.

2. In his opening remarks, the Chairman welcomed the Ministers of Foreign Affairs to this epoch meeting marking the 10th Anniversary of the founding of the Group of Fifteen. He characterised the occasion as an opportune moment to assess the performance of the Group since its establishment and for identifying the way forward in advancing the goals of the G-15 in the 21st Century.

I. Report by the Chairman of the Personal representatives

3. The Foreign Ministers (FMs) received the report of the Chairman of the Personal Representatives (PRs), Ambassador Mounir Zahran of the Arab Republic of Egypt, on the work undertaken by the PRs since the IX Summit in Montego Bay, Jamaica, (**Document G-15/00/FM20/3/Rev.1**) referring in particular to:

- The launching of the “G-15 Comprehensive Employment Strategy” introduced before the 87th Session of the International Labour Conference, the Trade and Development Board of UNCTAD and the Economic and Social Council (ECOSOC) in June and July 1999 respectively. At the initiative of Egypt, and on behalf of the G-15, the said paper has become an official document before the United Nations carrying the symbol **A/54/171-E/1999/111**.
- The successful conclusion of an expert meeting and a symposium of the G-15 on the Reform of the International Financial Architecture, and Globalization and its Economic and Social Impact in October and November 1999, respectively.
- The two informal meetings with the former German Sherpa of the G8 in an attempt to enhance further the North-South dialogue between the G-15 and G8 on specific topics of mutual interest to the two groups.

- The conclusion of negotiations to enhance bilateral investments and to avoid double taxation among G-15 countries, with technical assistance from UNCTAD.
- Attendance of major international conferences including UNCTAD X in Bangkok and the South Summit Havana.
- Continued coordination between the G-15 and the G-24 on the reform of the international financial architecture.

II. Global developments at the beginning of the XXI Century and Prospects for the South.

4. In the review of global developments at the beginning of the XXI Century and prospects for the South, the Chairman underscored the continuing relevance of the conclusions reached by the Foreign Ministers at their 19th Meeting on 24 September 1999, on the margins of the 54th Session of the United Nations General Assembly in New York. In their interventions, Ministers underscored that globalization, in its various manifestations, would increasingly determine the shape of global economic development and the prospects for developing countries in the new century. They expressed serious concern on the emerging troubled relationship between globalization and the imperatives of development in the countries of the South, arising from economic asymmetries accentuated by the process.

5. The Ministers expressed concern on the unsatisfactory evolution of the globalization process, as the prosperity it has engendered has not been evenly spread among countries and regions of the world. They considered unacceptable, the prevailing trends in international economic relations that impede the capacity of the vast majority of the developing countries to take full advantage of the opportunities created by globalization. The risk of further marginalization has become real as we continue to witness the increasing affluence of the industrialised countries and increasing poverty in the countries of the South, in an era of increasing global prosperity. Ministers underscored that appropriate measures should be designed and taken, with the full and equal participation of developing countries, to maximize the positive aspects and to minimize the adverse social and economic consequences of globalization.

6. In their exchange of views on the current trends in the multilateral trading system, Ministers observed that the failure of the major trading nations to respond to the legitimate demands of the developing countries and the lack of transparency in the WTO decision-making process were largely responsible for the failure of the Seattle Ministerial Conference of the WTO. They therefore emphasized that high priority has to be accorded to rectifying the shortcomings of the Uruguay Round Agreements in order to establish a level playing field and to restore the credibility of the prevailing liberal trade regime. This, they stressed, should entail the emplacement of a fair and equitable trading arrangement with effective measures to take into account the development dimensions, particularly the Special and Differential Treatment provisions in favour of developing countries in the various Uruguay Round Agreements. Ministers emphasized the need for the adoption of a coordinated position by G-15 countries in the work of the recently established Special Mechanism of the WTO General Council on Implementation Issues and in the on going consultations and negotiations on the mandated negotiations and reviews of the Uruguay Round Agreements and Decisions.

7. Ministers deliberated on the recent devastating international financial crisis and its contagion effect that revealed the vulnerability of developing countries to the forces

unleashed by uncontrolled globalization of the international financial and capital markets. While stressing the dangers of short-term, highly leveraged speculative capital flows, Ministers underscored the urgency to devise mechanisms to check volatility in financial flows and the provision of the required liquidity to assist countries in financial crisis. Above all, they called for urgent international action for the reform of the international financial architecture, with the full and equal participation of developing countries. In the light of the exclusive nature of the ongoing discussions on the reform of the international financial architecture in the so-called International Financial Stability Forum, Ministers expressed little confidence and expectation on the eventual results that will flow from the process.

8. Overwhelming views were expressed on the need for the reformed international financial architecture to effectively address the problem of financing of development which has been a major impediment to sustained economic growth and sustainable development in developing countries. Ministers noted that while domestic constraints continue to impede the mobilization of internal financial resources for development, ODA flows have been on the decline to developing countries, while FDI flows continue to be concentrated to only a few countries. They therefore called on the donor community to take urgent steps to meet the UN agreed target of 0.7% of their GDP to ODA and the adoption of measures by capital exporting countries to ensure a more even flow of FDI to developing countries. Ministers stated that the reform of the international financial system must include the reform of the Bretton Woods institutions, in which developing countries exercise little or no influence in their decision-making processes. They underscored the need for a central role for the United Nations in harmonising the actions of nations in the attainment of the common economic, social and cultural goals set out in its Charter.

9. Serious concern was expressed on the heavy external debt burden and the increasingly unsustainable debt service obligations of developing countries, as they constitute major impediments to financing social and economic development. The debt problem, they underlined, continues to undermine the capacity of emerging economies to make positive adjustments and to attain the competitive edge required for survival in the prevailing highly globalized and competitive world economy. They therefore called for debt relief measures beyond the current HIPC debt relief initiative, to effectively address the debt of all categories of debtor developing countries. Ministers also expressed serious concern on the increasing incidence of poverty in developing countries, a phenomenon that continues to undermine the quality of human fulfilment and national achievement, five years after the World Summit for Social Development. They therefore emphasized that concrete measures on poverty alleviation should be taken at the forthcoming review of the progress achieved in implementing the outcomes of the World Summit for Social Development.

10. In recognition of the importance of mustering international consensus on substantive measures to address global economic problems, particularly those of special interest and concern to developing countries, the Ministers pledged themselves to work towards the revitalisation of North-South dialogue on international cooperation for development. To this end, they welcomed the emerging constructive dialogue between the G-15 and the G8, and charged the PRs to sustain their ongoing engagements with the G8. On their part, the Ministers agreed to redouble their efforts to elevate this dialogue and agreed to recommend to the HOS/G that the incoming Chairman should convey to the Chairman of the G8, the desire of the G-15 to foster the emerging dialogue. This engagement, the Ministers suggested,

should involve dialogue between the Ministers of Foreign Affairs and Ministers of Trade/Economy, respectively with their G8 counterparts, and ultimately at the Summit level.

11. The increasing phenomena and negative consequences of terrorism, illicit trafficking of small arms and light weapons, drug trafficking and illicit transfer of funds were considered by the Ministers as constituting unacceptable threats to stable economic and social development of countries and international peace and security. They therefore called for the strengthening of international cooperation and legal measures to combat these problems.

12. In light of the overwhelming views expressed on the need to enhance economic and technical cooperation among G-15 countries and with other developing countries, the Foreign Ministers emphasized the imperative of consolidating and enhancing policy consultations and functional cooperation in the areas of investment, trade and technology. Against the background of the trends in the prevailing global economic arrangement, Ministers underscored the increasing relevance of South-South cooperation and undertook to redouble their efforts in this regard. They pledged themselves to work in concert in advancing the interests of developing countries and in further enhancing the mystique of the G-15 in international fora. This, they agreed, should entail speaking with one voice and loudly at international events with a view to enhancing the visibility and credibility of the Group and to win the confidence of the international community. To this end, they decided to broaden and deepen contact and coordination at the political level, including recommendation for the holding of frequent consultations among Ministers of the G-15.

13. In the course of their deliberations, Ministers took note of the significant outcomes of UNCTAD X, the recent Non-Aligned Ministerial Conference and the South Summit. They pledged themselves to work together to ensure the success of the forthcoming UN conferences, including Copenhagen + 5, the UN Millennium Assembly and the Millennium Summit, the UN High-Level Event on Financing for Development as well as the Third UN Conference on LDCs.

III. Final substantive preparations for the X Summit: Indicative Provisional Agenda of the Heads of State and Government and the Draft Joint Communiqué

14. The Chairman of the Ministers of Foreign Affairs provided a comprehensive description of the final substantive preparations for the X Summit, including the arrangements for the Retreat of the Heads of State and Government, and the parallel Retreat of the Ministers of Foreign Affairs. He also stated that the programme for the spouses of the Heads of Delegation is being finalized and will be communicated soon.

15. As for the Indicative Provisional Agenda of the X Summit of the Heads of State and Government, Ministers took into consideration the elements of the Indicative Provisional Agenda prepared by the Personal Representatives, and agreed to recommend it to the Summit. Ministers also considered and decided to recommend to the Heads of State and Government, the vital and interrelated issue of “Peace, Disarmament and Development”, proposed by the PRs, for possible consideration by the Heads of State and Government at the Summit Retreat. In light of the importance attached by the G-15 to the enhancement of South-South cooperation and the promotion of a constructive North-South dialogue, the Ministers decided to take up these issues at their parallel retreat scheduled for 19 June 2000.

16. In their consideration of the proposed Draft Joint Communiqué for the Summit, the Ministers noted that the key global issues of interest and concern to the Group as well as appropriate international policy directions and recommendations from the perspective of developing countries were adequately captured in the draft text. In the light of these considerations, Ministers decided to recommend the Draft Joint Communiqué, representing a balanced and consensus document, to the Heads of State and Government for consideration.

IV. Proposal to establish a Permanent Secretariat for the Group of Fifteen

17. Ministers recalled that the VIII Summit, held in Cairo in May 1998 approved the recommendation that the Technical Support Facility (TSF) of the Group of Fifteen, was performing well. Since the VIII Summit mandated the Personal Representatives to undertake consultations regarding the “Report by Malaysia on the Possible Establishment of a Permanent Secretariat for the Group of Fifteen”, Ministers received a report from the Personal Representative of Egypt on behalf of the Personal Representatives on consultations held in this regard and concluded that the establishment of a Permanent Secretariat is irrelevant, at least at the present time. It was therefore recommended that whenever needed a short term consultant could be hired to prepare a specific paper or a study prior to Summit meetings. Ministers considered and endorsed this recommendation.

V. Requests for G-15 membership

18. The Chairman introduced the subject to the Ministers of Foreign Affairs by announcing that the Government of Egypt, Chairman of the G-15, received a formal communication from the Government of the Islamic Republic of Iran on 26 May 2000, requesting to become a member of the Group of Fifteen. He emphasized the need to process this request in accordance with established practice. He then invited the Chairman of the Personal Representatives to report on their consideration of this item. Briefly, the Chairman of the PRs stated that the PRs referred in their discussions to the document presented during the VII Summit of the Heads of State and Government of the Group of Fifteen held in Kuala Lumpur in November 1997 entitled “Group of Fifteen’s Past Experiences and Possible Future Directions in the 21st Century” (document G-15/97/VII/3) and the informal exchange of views among the Ministers during their retreat on 12 May 1998 in Kattamya on the margins of the VIII Summit in Cairo.

19. The Chairman emphasized that there was no moratorium on G-15 membership and stated that a decision has to be taken at the political level, and therefore invited his colleagues to express their views. After a long debate in which virtually all delegations participated, the Chairman announced the following:

- That there is no opposition to the request presented by Iran.
- That Iran’s request has followed the established procedure and practice.
- As for Colombia, there has never been, nor is there any opposition to the country’s membership.
- That linking acceptance of new members in the G-15 with the consideration of aspects relating to the Group’s consolidation, expansion, future prospects, efficiency, etc. is not appropriate.

20. In the light of the foregoing considerations, the Chairman proposed, and the Foreign Ministers concurred, with the following:

- Iran is to be given a positive response welcoming its membership of the Group and inviting Iran to the XI G-15 Summit.
- Colombia is to be accepted to join the Group, pending a formal notification from that country confirming its request.
- The PRs should examine all aspects relating to the Group's consolidation and possible future directions, including its size and efficiency, and report to the Foreign Ministers.
- Personal Representatives of Iran and Colombia, after confirmation of the desire for membership by the latter, will be invited to attend the formal meetings of the Personal Representatives of the Group of Fifteen in order to participate in the preparations for the XI Summit.

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21. The incoming Chair, Indonesia, proposed to schedule the XI Summit of the Group in Jakarta, Indonesia for the second half of May 2001.

22. Before adjourning the meeting, the Ministers expressed their appreciation to the Government of the Arab Republic of Egypt for the very warm hospitality extended to them and for the excellent arrangements for the entire meetings of the X Summit.
