



GROUP OF FIFTEEN
Summit Level Group of Developing Countries

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REPORT BY THE CHAIRMAN
OF THE MINISTERS OF FOREIGN AFFAIRS
OF THE GROUP OF FIFTEEN ON THEIR TWENTY-FIFTH MEETING
Caracas, Venezuela, 26 February 2004

1. The 25th Meeting of the Ministers of Foreign Affairs of the Group of Fifteen was held on 26 February 2004 in Caracas, Venezuela, under the Chairmanship of H. E. Mr. Jesus Arnaldo Pérez, Minister of Foreign Affairs of the Bolivarian Republic of Venezuela.
2. In his opening remarks, the Chairman warmly welcomed the Ministers and solicited their support and cooperation in ensuring the successful conclusion of the meeting.
3. In their deliberations, the Ministers attended to the various aspects of the management of the Group's affairs. These included the examination of the institutional mechanisms for consultation, cooperation and coordination, in particular the G-15 Commission; review of the challenges facing the Group; evaluation of the progress of the Group's dialogue with the G-8; exchange of views on the current international situation and review of the preparations for the XII Summit. Details of the proceedings are presented in this report.

Consideration of the Report by the Chairperson of the Personal Representatives of the Heads of State and Government of the Group of Fifteen on the Group's activities as well as the challenges facing the G-15 and its vision, orientation and objectives.

4. The Ministers received the Report of the Chairperson of the Personal Representatives (PRs) on the activities undertaken by the Group as well as the challenges facing the G-15 and its vision, orientation and objectives. These included the follow-up of the decisions of the XI Summit, implementation of other decisions and activities of the Group, activities undertaken in preparation for the XII Summit as well as reflections on the situation of the Group, as contained in document **G-15/04/FM25/3**. The Ministers made broad comments on several aspects of the Report and made some recommendations on some crucial issues raised in the Report.

* Editorial change on 30 March 2004

5. Furthermore, the Ministers considered and evaluated the activities and functioning of the G-15 Commission to Improve the Implementation of the Group's Decisions. Ministers noted the efforts taken by PRs to institutionalize the Commission and the candid report on the practical problems and difficulties hampering the proper functioning of the Commission.

6. They expressed concern on the fact that the Commission has been unable to meet its set objectives aimed at revitalizing the Group because of the absence of a plan of action with timeframes as well as some identified structural deficiencies. With a view to enhancing its coherence, efficiency and vitality, the Ministers agreed that the new arrangement and structure of the Commission will be as follows:

- Open-endedness;
- No extra financial implications;
- Two meetings per year;
- Meetings at the level of high officials from the capitals;
- Venue to be either Geneva or capitals;
- Reporting to the Ministers of Foreign Affairs.

7. The Meeting considered action taken by the PRs on the recommendation of the 24th Meeting of the Minister of Foreign Affairs, held in September 2003 in New York, requesting the PRs to undertake further work and to consider the possibility of engaging the services of an independent consultant conversant with the preoccupations of the G-15 to undertake a thorough study on the challenges facing the G-15 and its vision, orientation, objectives and activities, within the context of the preparations for the XII Summit. Ministers acknowledged the observation of the PRs that the task was of a long-term nature that could go beyond this Summit. In light of the priority attached to the need to rejuvenate the Group and to properly position it to rise to emerging challenges, Ministers made the following observations and recommendations:

- Demonstration of appropriate political will and solidarity among member countries is necessary to underline the continuing relevance and validity of the Group in our rapidly changing world. In stressing that the Group's strength and credibility could only come from within, it was considered indispensable that member countries must give serious attention to effective participation at the appropriate levels in the Group's affairs, the fulfillment of financial obligations, readiness to utilize the Group as an instrument for advancing common interests as well as engaging in a process of continuous critical self evaluation;
- The Group needs appropriate political will to consciously forge its international identity and personality in order to establish its credibility as well as project a new vision of the South. In this regard, the positive results of the solidarity demonstrated by groups of developing countries at the WTO Ministerial Conference in Cancun was cited as a good example;
- The Group has been unable to take advantage of the immense economic and political potential as well as its unique membership, due to several factors, including our historical pattern of North-South trade and inadequate information flows on mutually beneficial economic opportunities among member countries;
- That rather than being defensive, the Group should adopt a proactive approach to issues of common interest and concern to member countries and the larger community of developing countries. To this end, it was strongly emphasized that the Group should work towards the forging of common positions and strategies on key issues of interest to them on the global development agenda. Emphasis was stressed on the need to strengthen consultation and coordination in key international fora, particularly the WTO and WHO in which we share a large measure of commonality;
- The Group should seriously explore options that will enable its member countries take advantage of globalization to avoid further marginalization in the world economy;

- That in order to justify its credibility and usefulness, the Group should focus on issues that unite rather than divide its membership. To this end, it was stressed that the Group should be preoccupied with socio-economic issues rather than contentious political issues or preoccupations that are evidently over ambitious;
- With a view to promoting realistic and beneficial south-south cooperation, the Group should identify and focus on a few concrete and achievable goals that are of common interest to the development of all member countries, such as trade, technology and investment flows, as well as cooperation in energy and research, pharmaceuticals, human resource development, the eradication of poverty and hunger. The sharing of experiences in good practices in other areas such as popular education and housing projects would bring real and direct benefits to the populations of member countries as well as further the twin objectives of national development and collective self-reliance;
- It was considered a matter of immediate priority to revamp the Committee on Investment, Trade and Technology (CITT) by ensuring the direct participation of officials of relevant agencies from the capitals and representatives of the private sector of member countries in the activities of the CITT and the Business and Investment Forum (BIF). This will enable member countries derive more tangible benefits from their membership of the G-15, as originally conceived.
- That meaningful efforts must be made to strengthen the Group's project-based approach to south-south cooperation as well as to ensure the flexibility and non-proliferation of cooperation mechanisms;
- Emphasis was placed on the need to establish a level playing field among member countries to promote investment, trade as well as science and technology flows. To this end, the meeting emphasized the importance of synergies and complementarity, the strengthening of the Global System of Trade Preferences (GSTP), establishing Free Trade Areas (FTAs) and Customs Areas among member countries in order to enhance intra G-15 trade;
- In recognition of the vital role of modern technologies in the development process, the Group should enhance practical cooperation in the field of information and communications technologies (ICTs) to leapfrog the stages of development. To this end, it was noted that member countries less endowed in this field could benefit from other member countries that have made significant achievements in the development and application of ICTs;
- As a component of the revitalization process, it was considered a matter of priority for the Technical Support Facility of the G-15 to have its independent and financially sustainable website in order to facilitate networking among member countries, create economic database on member countries and enhance the Group's international visibility;
- That meaningful progress has not being made in the G-15/G8 dialogue in spite of our best endeavours;
- The Group should give serious consideration to reducing the frequency of Summit meetings to once every two years in order to give sufficient time to the incumbent Chairman for the full implementation of the Group's decisions;
- Reference was made to the option of engaging three eminent personalities, each representing the geographic regions of the G-15, to undertake a thorough study on the challenges facing the G-15;

Presentation and consideration of the Draft Caracas Declaration on Energy and Development.

8. In introducing the Draft Declaration on Energy and Development, the Venezuelan Minister of Energy briefed the Meeting on the evolution of the draft document in the run-up to the cancelled Margarita Summit in 2002 and the subsequent resumption of preparations for the present Summit in Caracas. He recalled the extensive consultations he had with his colleagues, in the course of which comments and suggestions were received and incorporated into the present text, which he observed

addressed the interests of all stakeholders, in addition to recommending a suitable framework of cooperation. In order to make the text more broadly drafted and acceptable to all member countries, a new version befitting a Summit Declaration was produced in the course of our meeting by a working group for consideration by the Ministers. This process led to the present text submitted by consensus to the Summit for consideration and adoption.

Exchange of views on the current international situation

9. The Ministers of Foreign Affairs had a fruitful exchange of views on the current international situation. The Ministers noted the monumental changes in the political and economic landscape of the present international environment and agreed therefore that their 25th Meeting here in Caracas provided a unique opportunity for a fruitful exchange of views on the major trends and patterns in the international environment and their impact on the development of developing countries. The following observations and suggestions were made in the course of the deliberations:

- That globalization should be properly managed to enable developing countries seize the opportunities its presents to maximize its benefits to all countries while minimizing its downsides;
- The multilateral trading system under the WTO should be oriented towards providing a level playing field and to adequately incorporate the development dimension in line with the Doha Development Agenda. Within this context, it was held that the level of ambition established in the Doha mandate must be maintained, particularly in the areas of agricultural reform. The urgent need for renewed commitment and political will to put the Doha negotiations back on track was underlined;
- Denunciation of creeping trade protectionism, declining commodity prices and the deterioration of the terms of trade of developing countries;
- It was considered important that global economic growth should not depend on the economic fortunes of one major economic power in order to lessen the impacts of possible volatility on emerging economies;
- South-South cooperation is useful for dealing with emerging issues such as trans-border diseases and therefore developing countries should pool their resources and efforts to enable them respond adequately to these emergencies, to complement international actions;
- Member countries should explore steps to enhance their economic resilience in order to improve the welfare of their people, eliminate corruption and enhance financial prudence and transparency in accordance with their national circumstances;
- To unreservedly condemn terrorism in all its manifestations and to mobilize national and international efforts to combat this menace that creates an atmosphere of insecurity, instability and serious adverse economic consequences;
- The importance of fulfilling the commitments arising from the International Conference on Financing for Development was strongly reaffirmed. Within this context, stable flows of resources for financing development as well as the need for further measures to address the external debt problems of all categories of developing countries were stressed;
- Developing countries should act in concert to protect and advance their common interests in international financial institutions;
- The international community was called upon to redouble efforts to attain the Millennium Development Goals (MDGs) in order to mitigate the incidence of extreme poverty, hunger, diseases and illiteracy, among others;
- Greater international actions should be taken to attain the objectives of sustainable development, taking into account the Rio Principles particularly the principle of common but differentiated responsibilities, to ensure the balanced integration of economic, social and environmental pillars

of sustainable development, as reaffirmed in the Johannesburg Plan of Implementation of the outcomes of the World Summit on Sustainable Development. The importance of the Kyoto Protocol to boosting environmental protection was also emphasized;

- That the G-15 should accord attention to promoting the virtues of cultural diversity and dialogue among civilizations. To this end, G-15 countries were urged to participate in the UNESCO Conference on Cultural Diversity to be held in 2005;
- In the spirit of South-South cooperation, G-15 member countries were invited to support the New Economic Partnership for Africa's Development (NEPAD) launched to enable Africa meet its development challenges. It was observed that Africa's development partners had committed themselves to concretely supporting the initiative;
- The UN Convention on Corruption was welcomed as it provides a global framework for cooperation in the fight against illegal capital flight, particularly in Africa;
- The pandemic of HIV/AIDS, particularly in Africa, calls for effective global response because of its devastating social and economic consequences. That developing countries should therefore avail themselves of the opportunities provided by the Declaration on the TRIPS Agreement and Public Health without let or hindrance;
- That South-South cooperation retains continuing relevance in mitigating the adverse consequences of globalization. To this end, member countries were urged to enhance intra-G-15 trade, information exchange and the rejuvenation of the GSTP as well as take advantage of available WTO mechanisms;
- Accelerated actions should be taken, with the full participation of developing countries, to reform the international financial architecture with a view to preventing future financial crises while ensuring stable flows of resources for the financing of development. Further measures and imaginative approaches to addressing the external debt problems of all categories of developing countries were advocated;
- That enhanced international commitment was required to bridge the digital divide by facilitating universal access to ICT for development. To this end, the meeting emphasized the importance of the outcomes of the first phase of the World Summit on the Information Society (WSIS) including the proposal to establish a Digital Solidarity Fund; The Group was urged to participate actively in the run-up to the Tunis phase.
- All countries, particularly the major powers, were called upon to reaffirm their commitment to multilateralism based on the United Nations Charter and international law;
- The need to firmly address the Middle-East crisis was enunciated in order to reverse the precarious situation of the region and to alleviate the plight of the Palestinian people;
- Enhanced national, regional and international cooperation and concrete actions should be taken to ensure greater access to affordable, sustainable and diversified sources of energy;
- That the challenges of today and the increasing interdependence among countries calls for a more meaningful North-South dialogue;

Consideration of the Draft Joint Communiqué of the XII Summit of the Group of Fifteen

10. I wish to report that there was a large measure of consensus in the draft text of the Joint Communiqué submitted by the PRs to the Foreign Ministers for consideration. The Chairperson of the PRs reported however that the vexed question of terrorism, for understandable reasons, posed some difficulties among some member countries, as it proved impossible to forge a consensus. While there was general consensus on the need to condemn Terrorism and to intensify the fight against it, there were divergent views on its linkage to the legitimate struggle of peoples under colonial or alien domination. In light of the divisiveness and political sensitivity of the subject, Foreign Ministers chose not to reopen any discussion on terrorism. However, the meeting noted the reservations expressed by some member countries on the exclusion of terrorism from the text, particularly as it is a subject that has assumed added international importance and currency, and

upon which previous G-15 Summits had pronounced. Foreign Ministers effected some improvements to the text now presented to the Summit. I should observe that, by and large, we agreed with the substance and thrust of the observations and policy recommendations contained in the Draft Joint Communiqué of the XII Summit submitted for your consideration as document **G-15/04/DJC/Rev.19**. The draft text is balanced, precise and focused and consider it worthy for Your Excellencies consideration and adoption.

Other matters

11. In the spirit of consultations and coordination with other groupings of developing countries, a representative of the Chairman of the Group of 77 and China delivered a goodwill message to the Ministers. The representative emphasized the importance of common actions and solidarity among developing countries to enable them seize the opportunities presented by globalization as well as enable them to cope with its challenges. To this end, he enjoined developing countries to explore and take advantage of available opportunities for sharing experiences, expertise and resources among themselves. He therefore asserted that the XII Summit of the G-15 provided a golden opportunity for further promoting South-South cooperation and urged member countries to contribute to the Perez Guerrero Fund meant to advance this objective and those of the Havana Action Plan.

12. Before adjourning the meeting, the Ministers expressed their appreciation to the Government of the Bolivarian Republic of Venezuela for the warm hospitality extended to them and the excellent arrangements for their meeting. Ministers also congratulated the Minister for his recent appointment as the Foreign Minister of Venezuela and paid special tribute to him for the efficient conduct of their business.
