



GROUP OF FIFTEEN
Summit Level Group of Developing Countries

G-15/07/FM29/2

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**REPORT BY THE CHAIRMAN OF THE MINISTERS OF FOREIGN AFFAIRS
OF THE GROUP OF FIFTEEN ON THEIR TWENTY-NINTH MEETING**

New York, 28 September 2007

1. The 29th Meeting of the Ministers of Foreign Affairs of the Group of Fifteen was held on 28 September 2007 in New York under the Chairmanship of His Excellency, Mr. Manuchehr Mottaki, Minister for Foreign Affairs of the Islamic Republic of Iran. In his opening remarks, the Chairman expressed his appreciation to all participants for attending the meeting, in spite of their heavy schedules in the course of the 62nd Session of the United Nations General Assembly. He stated that South-South cooperation has become a salient feature in international economic relations and that the Group of Fifteen had immense potential to expand such cooperation through close collaboration and inter-regional cooperation in high priority areas of the member countries. The Chair lamented that the G-15 had not been able to fully utilize its collective potential and capacities to operationalize cooperative projects, particularly in the area of South-South Cooperation. He added that the Group also has the capacity to engage in a meaningful North-South dialogue. On the low performance of some projects, he noted that some old projects turned out to be unattractive to member countries. He stressed that one of the excellent examples of cooperation could be through economic related projects which advance common interests of member countries.
2. The Chairman remarked that the Islamic Republic of Iran, since its assumption of chairmanship, has designed and presented several project proposals in the areas of water resources management, environment, energy, bio-bank and renewable energy for the consideration of member countries. He expressed satisfaction at the successful outcome of the High-Level Meeting on Water Resources Management and Rural and Agricultural Development held recently in Tehran and stressed that these areas offer ample opportunities for further cooperation among G-15 member states.
3. The Chairman informed the Ministers that the Islamic Republic of Iran proposed to hold the 14th Summit under the theme of "Tourism" or "Biotechnology", as G-15 countries possessed invaluable experience and potential for cooperation in these sectors. The foregoing proposal was warmly welcomed by the meeting. He further informed the meeting that in order to foster increased trade and investment among G-15 countries, especially through full engagement of both public and private sectors, the Government of the Islamic Republic of Iran has decided to convene a G-15 Business Forum on the flanks of the next Summit to be held in Tehran. He therefore urged member countries to prepare for and to participate actively in the event. The Chairman also briefed the meeting on the status of the consultations on finding a possible host country for the 15th Summit of the Group.
4. In their deliberations, the Ministers dealt with a series of issues related to the management of the Group's affairs. This included action on the recommendations submitted by the Chairman of the

Personal Representatives on the activities of the Group, action on the recommendations of the High Level Meeting on Water Resources Management and Rural and Agricultural Development, consultations on the host country for the 15th Summit as well as required actions on financial issues of the Group. Details of the proceedings of the meeting are presented in this report.

Consideration of the Report by the Chairman of the Personal Representatives on the activities of the Group

5. H. E. Mr. A. Sheikh Attar, the Deputy Minister of Foreign Affairs of the Islamic Republic of Iran presented the highlights of the Report of the Chairman of the Personal Representatives as contained in document **G-15/07/FM29/3**, which covered the activities and recommendations of the Personal Representatives of Heads of State and Government (PRs) since the last Meeting of the Ministers of Foreign Affairs as well as recommendations for action. These included implementation of the decisions and proposals of the 13th Summit including the convening of a High Level Meeting on Rural and Agricultural Development and the Management of Water Resources; implementation of other decisions and activities of the Group; the activities of the G-15 Technical Support Facility and the G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS); consultations on a possible host country for the 15th Summit; and financial matters of the Group. The Chairman brought to the attention of Honourable Ministers, some key issues raised in the Report of the Chairman of the Personal Representatives that required action by the meeting, including, among others, the recommendations on the G-15 Africa Cooperation Fund and rationalization of G-15 South-South cooperation projects as well as the selection of new projects.

6. With regard to the G-15 Africa Cooperation Fund, the Chairman observed that it was obvious that the PRs had been unable to share a common viewpoint on the establishment of the Fund. Since this state of affairs had been brought to the attention of Honourable Ministers, he invited Ministers to put forward pragmatic suggestions that could help bridge the gap on the subject.

7. In their interventions, Ministers made the following observations and suggestions:

- That a political decision to create the Africa Cooperation Fund had already been taken at the Havana Summit and, as such, steps must be taken to give practical expression to it. It was noted in this regard that political will should be demonstrated to carry the decision through;
- It was widely held that financial contributions to the Fund should be on a voluntary basis;
- Even though a political decision on creating the Fund had been taken, there were compelling financial constraints within member countries that warrant the search for funding through existing mechanisms of technical cooperation;
- Care must be taken to ensure that the Africa Fund does not duplicate existing initiatives.

The foregoing suggestions were meant to serve as guidelines to be taken into account by the PRs in their further consultations on a possible profile for the G-15 Africa Cooperation Fund and the modalities for its operationalization. The Foreign Ministers urged the Personal Representatives to expedite their consultations in this regard and to convey the outcome of their deliberations to the next Meeting of Foreign Ministers.

8. The Ministers' attention was drawn to the efforts made by the Personal Representatives on the decision to rationalize G-15 South-South Cooperation Projects with a view to designing and implementing projects that serve interests of member countries. It was observed that PRs appeared to be in broad agreement in recommending that all old projects should be discarded, while allowing any member that wishes to revive a project to repackage and submit it as a new one for consideration, taking into account the project eligibility criteria to be identified and agreed upon.

The Ministers considered the performance of G-15 Projects and called for a reflection on further measures to make projects more successful. They endorsed the recommendation by the Personal Representatives to discard all old projects, with the proviso that any member that is interested in reviving an old project may do so by repackaging and submitting it as a new project for consideration.

9. With respect to the selection of new G-15 Projects for joint implementation, Foreign Ministers noted with satisfaction that member countries were actively considering the project proposals presented by Iran, particularly in the areas of water management and renewable energy. They also took note of the intention of the PRs to carry out a number of exercises before finally selecting any new project for implementation and also of their desire to recommend the launch of one or more new projects that could enhance the profile of the G-15 by the time of the 14th Summit.

10. The Ministers endorsed the proposal made by the Chairman that a meeting of technical experts in the field of technical cooperation be held in Geneva to decide on the criteria for the selection of new projects as well as choose the new projects to be taken up for joint implementation by member countries. The recommendations of the said experts will be submitted to the Personal Representatives for consideration. The latter are to report the outcome of their deliberations on the subject to the next Foreign Ministers' meeting.

11. The meeting was reminded of the great hopes engendered at the birth of the G-15 and the high expectations that with its immense potential, the Group was bound to be very successful, particularly through cooperation projects in show-casing South-South Cooperation. It was recommended in this regard that enhanced private sector involvement and people-to-people participation should be encouraged to work on a bilateral basis to bring more meaning to G-15 membership.

12. Ministers made the following further observations and suggestions with regard to new G-15 projects:

- The need for proper feasibility studies to ensure usefulness and financial sustainability before embarking on a new project;
- The need to simplify and revitalize G-15 structures and mechanisms to make the Group more successful.
- Finding external sources of finance for new projects, including from multilateral institutions as well as the private sector, could be favourably considered in the light of previous experiences of G-15 project failure;
- In view of the prevailing financial constraints, new projects should focus on cost effective mechanisms such as exchange of experiences;
- Apart from the new projects proposed by the Islamic Republic of Iran, other potential areas of cooperation suggested for the Group included international trade, climate change and energy exploration as well as the projects proposed by the Bolivarian Republic of Venezuela during the Caracas Summit. In the latter regard the attention of the meeting was drawn to a Paper written by the G-15 Technical Support Facility titled "Economic Justification for a Bank of the South", which was considered a useful input that could advance the debate. It was therefore observed by the Bolivarian Republic of Venezuela that a Bank of the South was a necessary and technically viable project proposal that should be further considered by member countries.

13. Ministers also welcomed the Working Paper prepared by the TSF on G-15 Trade as highly useful and of great interest to member countries as they could serve as stimuli for greater

cooperation in trade and investment among member countries. The meeting also commended the G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS) for the consistency in holding its annual event that brings together the representatives of the private sector and urged it to further strengthen networking between the various Business Chambers in G-15 countries with a view to facilitating concrete economic exchanges between member countries.

Consideration of the Conclusions of the High Level Meeting on Water Resources Management and Rural and Agricultural Development held in Tehran, 2-4 September 2007

14. The Chairman informed the meeting that the government of the Islamic Republic of Iran successfully organized a High Level Meeting on Rural and Agricultural Development and the Management of Water Resources in Tehran on 2-4 September 2007 and that it was well attended by high-level experts, officials and diplomats from the majority of G-15 countries.

15. The Ministers favourably considered the recommendations of the High Level Meeting and took the following actions:

- Approved the establishment of the Working Group on Water, to work on the creation of a mechanism to serve as a forum for exchange of technical knowledge and experiences. This mechanism and forum should facilitate networking among training institutions, research centres and relevant agencies of member countries, as well as exploring the possibility to facilitate cooperation and support between sub-regional and regional institutions in the area of capacity building for water resource management. The establishment of a Working Group on Agriculture and Rural Development, that will consider enhancing the capacities and human development through training and upgrading knowledge and skills, as well as transfer of research findings and new technologies to farmers was endorsed.
- Agreed that these two Working Groups along with their mandates as well as the agreed website, bearing in mind that they are to serve as G-15 mechanisms or clearinghouses for the exchange of experiences on water resources management and rural and agricultural development, would aim at enhancing good practices and information sharing among member countries;
- Directed that further consultations should be undertaken among member countries on a possible G-15 facility or vehicle for the mobilization of resources in support of the envisaged collaborative activities in the water sector. The Personal Representatives were requested to undertake further action to this end.
- That both Working Groups should report the outcome of their work to the Personal Representatives for consideration and further action, as appropriate.
- Further directed the Personal Representatives to follow-up on the matter and to ensure that the recommendations of the High Level Meeting, as approved by this meeting, are carried out.

Without prejudice to the foregoing, the need for ensuring that the new mechanism should be sustainable was raised. It was observed that some of the envisaged activities could be implemented at the technical level, for example, through the exchange of experiences and expertise as well as useful networking.

Consultations on the host country for the 15th Summit

16. In his briefing of the Ministers on the current status of consultations on finding a possible host country from the Latin American and Caribbean member countries for the Group for the 15th Summit of the Group, the Chairman stressed in this regard that, due to its importance, Foreign Ministers must take the lead in seeking an early resolution of this matter particularly as it would enable the Government of the Islamic Republic of Iran to fix a firm date for holding the 14th Summit and to uphold the tradition of rotating the Group's Chairmanship during the Summit itself.

17. The meeting was informed by the Personal Representative of the Bolivarian Republic of Venezuela, a member of the Troika, that contact had been made with three other members of the Group from the Latin America and Caribbean region in this regard. He urged all member countries from the Latin American and Caribbean region to see the issue as a matter of utmost urgency that requires the examination of all possible candidates. It was agreed that the Bolivarian Republic of Venezuela should continue its consultations among the Latin American & Caribbean member countries, whose turn it would be to host the Summit after Tehran. The Chairman remarked that the Troika would also remain seized of the matter.

Consideration of Financial Matters:

(a) Proposed Budget for 2008

18. The Chairman formally presented the Proposed Budget of the Group for the year 2008 as recommended by the Personal Representatives. He noted that the Proposed Budget, contained in Document G-15/07/FM29/5, amounting to US\$ 997,875, was within the range of the approved budgets for recent years. He therefore invited the meeting to favourably consider and approve the Proposed Budget, along with the recommended option for financing it. The Ministers approved the Proposed Budget for 2008, taking into account the financing option involving the retention of annual contributions at US\$ 25,000 per member country; the use of income from investments; and savings from previous budgets.

(b) Financial situation of the Group

19. The Chairman drew the attention of Ministers to the significant level of unpaid financial contributions by some member states as highlighted in the Report of the Chairman of the Personal Representatives and the current Status of Financial Contributions submitted to this meeting. He noted with concern that the effective implementation of the Budget that was just approved will, principally, be contingent upon the timely payment of financial contributions by member countries and that it was disturbing to note that unpaid arrears now stand at **US\$ 616,661**. He therefore urged Ministers, to go the extra mile in facilitating the payment of countries membership dues, both current and outstanding. He stressed that the demonstration of such commitment would augur well for the proper functioning of the Group and appealed to Ministers to intervene, once again, by making a strong plea to member countries to expedite the settlement of their arrears.

20. In their response, some affected member countries commented on their arrears of contributions. The representative of Mexico assured that her country's arrears of contributions would be paid by the last quarter of the current year.

(c) Financial Report for the year 2006

21. The Ministers received and took note of the Financial Report for the year 2006 prepared by the official Auditors of the Group of Fifteen. The report, which was contained in document G-15/07/AUD indicating the financial position of the Group as at 31 December 2006, was considered in order.

Any Other Business

22. Having concluded the business of the day, the Chairman expressed his appreciation to the Ministers for their attendance and substantive contributions to the success of the meeting. On this note, he declared the 29th Meeting of the Ministers of Foreign Affairs formally closed.
