



GROUP OF FIFTEEN
Summit Level Group of Developing Countries

G-15/09/FM31/2

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REPORT BY THE CHAIRMAN
OF THE MINISTERS OF FOREIGN AFFAIRS
OF THE GROUP OF FIFTEEN ON THEIR THIRTY-FIRST MEETING
New York, 24 September 2009

1. The 31st Meeting of the Ministers of Foreign Affairs of the Group of Fifteen was held on 24 September 2009 in New York, under the Chairmanship of H. E. Manuchehr Mottaki, Minister for Foreign Affairs of the Islamic Republic of Iran.
2. In his opening remarks, the Chairman cordially welcomed the Ministers and expressed appreciation at their presence in spite of the other important events they had to attend in the course of the current session of the U.N. General Assembly. He remarked further that the Group was meeting in a spirit of collective understanding and hoped that the session would provide an opportunity for members to examine the current difficulties facing the Group. The Islamic Republic of Iran, he underscored, believed that the Group had immense potential for improving the welfare of the people residing within member countries, promoting regional cooperation as well as providing a platform for dialogue between the developing and developed world. He observed that G-15 countries are rich in natural resources, enjoy decent infrastructural and economic facilities and have sizeable political influence internationally. It was therefore up to member countries to reassess the strategic role of the G-15 and redefine relations within the Group as well as interactions with non-member states.
3. The Chairman stated that while it is argued that globalization has spread prosperity, a large number of developing countries remain marginalized. Economic interdependence has made developing countries more vulnerable to fluctuations originating from the industrialized world, as was evident during the ongoing economic and financial crisis. Additionally, chronic challenges such as illiteracy, poverty and disease continued to prevail in many parts of the developing world. In such an environment, he said, G-15 countries could not remain passive observers but needed to establish a responsible mechanism that aims to establish an international economic, monetary and financial system that is open, equitable, rule-based and non-discriminatory. Only such a system, he observed, could channel globalization into a force that empowers developing countries and does not contribute to their continued impoverishment and dependence on developed countries.
4. He observed further that the Islamic Republic of Iran attached great importance to the goals of the G-15 and has made significant efforts to energize the Group, including the organization of a High Level Meeting on Water Resources Management and Rural and Agricultural Development as well as through South-South project proposals for technical

cooperation. The Chairman outlined some more suggestions that Iran would advance in order to further energize the Group, including;

- Shifting focus away from projects orientation to policy coordination;
- Applying an open-ended cluster approach when implementing activities, while providing a chance for others to join at a later stage; and
- Giving Personal Representatives the authority to establish a G-15 coordination mechanism on trade, financial and economic issues related to the work of international organizations such as the WTO and UNCTAD.

5. In their deliberations, the Ministers attended to a range of issues dealing with the management of the Group's affairs. These included consideration of the Report of the Chairman of the Personal Representatives on the activities of the Group, assessment of the various substantive arrangements for the successful hosting of the 14th Summit of G-15 Heads of State and Government, including its Indicative Provisional Agenda and the Draft Joint Communiqué; as well as required actions on administrative and management issues. 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:

6. Ministers received and considered the Report of the Chairman of the Personal Representatives presented by H. E. Mr. Eshagh Al-Habib, Ambassador and Deputy Permanent Representative of the Islamic Republic of Iran to the United Nations in New York, on behalf of the Personal Representative of the President of the Islamic Republic of Iran to the G-15. The report covered the preoccupations of the Personal Representatives of Heads of State and Government of the Group of Fifteen (PRs) in their meetings as well as other activities of the Group during the Chairmanship of the Islamic Republic of Iran. These included the organization of a High Level Meeting on Water Resources Management and Rural and Agricultural Development in Tehran; consultations on some proposed cooperative initiatives of the Group; the streamlining of the criteria for G-15 project selection and implementation; preparations for the 14th Summit as well as activities of the G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS), the G-15 Technical Support Facility and financial matters of the Group.

7. Ministers deliberated at some length on certain pending initiatives of the Group mentioned in the Report of the Chairman of the Personal Representatives, such as the G-15 Africa Cooperation Fund, activation of the G-15 Working Groups on Water Resources Management and Agriculture and Rural Development and the proposed G-15 project on Renewable Energies.

8. Ministers were reminded that Heads of State and Government at the 12th Summit held in Havana in 2006, approved in principle, the launching of a G-15 Africa Cooperation Fund. To this end, Personal Representatives were mandated by the Foreign Ministers to constitute a working group to work out the modalities for its implementation. However, after several rounds of discussions, Personal Representatives were yet to make progress on the proposed modalities for the creation of the Fund and have requested for more time. To this end, Foreign Ministers urged Personal Representatives to continue their consultations in Geneva with a view to resolving the differences between member countries on the establishment of the Africa Fund.

9. Ministers also recalled that in 2007, a High Level Meeting on Water Resources Management and Rural and Agricultural Development was organized in Tehran in which a proposal to create mechanisms in the form of Working Groups on Water Resources Management and Agricultural and Rural Development were agreed, aimed at enhancing good practices and information sharing among member countries. The government of the Islamic Republic of Iran has undertaken to conduct an internal review and to later put forward suggestions as to how the Working Groups could be activated by Member States.

10. Ministers also considered the new project proposal on a Cooperation Framework amongst G-15 Countries for the Development of Renewable Energies put forward by the Islamic Republic of Iran, which had been under consideration of the Group for launching by the time of this Summit. The Islamic Republic of Iran reiterated its commitment to the proposed project and stated that the concerned agencies were carrying out a review of the situation and would later put forward suggestions as to how member countries could proceed with the proposed G-15 project on renewable energies.

11. Ministers also expressed their satisfaction and commended the Government of Sri Lanka for its magnanimous gesture to accept the Chairmanship of the Group at the conclusion of the 14th Summit. The representative of Sri Lanka at the meeting stated that his country was delighted to take over the Chairmanship in the imminent future with the realization that these were challenging times for the Group. He observed that his country believed in the potential of the Group, both as a hub for South-South cooperation as well as with links to the developed world and looked forward to the cooperation of all member countries in the discharge of responsibilities. It was brought to the notice of the Ministers that with Sri Lanka's offer to assume the Chairmanship of the Group after the 14th Summit, the need has arisen for the presence of a country from the Latin America/Caribbean region of the Group on the Troika Board of Supervisors. In this context, Ministers agreed to accept the recommendation of the Personal Representatives that member countries from the region in question should hold informal consultations with a view to designating a country to represent them on the Troika, in addition to the three traditional members, comprising the previous, present and next Chairman of the Group, on the understanding that the choice of a country made does not carry with it any obligation to host a Summit.

12. Ministers took note of the encouraging activities of the G-15 Federation of Chambers of Commerce, Industry and Services and agreed that facilities should be provided to the private sector body during the next Summit to be hosted in a member country, to enable them organize their meeting and other activities in promotion of business relations between G-15 member countries. Ministers also commended the G-15 Technical Support Facility for its support to the Chairman and the Troika in the management of the Group's affairs.

13. Ministers were briefed on the decision of Peru to withdraw from the membership of the Group due to financial difficulties and the need to implement austerity measures regarding Peru's participation in international organizations. While expressing disappointment at this development, Ministers agreed with the recommendation of PRs that, as in the case when Colombia withdrew from the Group in 2006, the Troika PRs should address a communication to the Government of Peru expressing the Group's hope and sentiment that the country would soon rejoin the Group after overcoming its present difficulties, and to raise the issue of how the government of Peru intends to settle its outstanding contributions amounting to US \$ 267,911.

Troika PRs were also mandated to address a reminder to the government of Colombia with regard to the settlement of its arrears to the G-15.

14. Finally, while reflecting on the 20th Anniversary of the founding of the Group of Fifteen this year, Ministers shared the view that the Group's performance has been mixed, with some progress recorded while some difficulties were encountered. It was recalled that when the Group was set up 20 years ago, the world had a different economic order. It was however, noted that South-South Cooperation and North-South dialogue continued to be relevant today. Ministers welcomed the proposal to invite the government of Sri Lanka, as the incoming Chairman of the Group, to establish a high-level Task Force to undertake a thorough assessment of the progress and prospects of the Group and to provide recommendations on the revitalization of the Group to be reported to the 32nd Meeting of Foreign Ministers next year. Ministers agreed that the Task Force should assess past achievements and challenges including why some member countries had withdrawn, why projects have not been successful and why the private sectors of member countries have not been active.

Consideration of the Draft Joint Communiqué for the 14th Summit:

15. The Chairman reported 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, except for two paragraphs relating to intellectual property rights and the Palestinian situation. Ministers, in a strong show of flexibility and solidarity, were able to arrive at an acceptable compromise for paragraph 33 relating to intellectual property. However, despite considerable deliberations, there was no consensus on paragraph 50 relating to the Palestinian problem, with some countries arguing for the need to mention acts of violence while other countries argued for a mention of the peace process. Ministers therefore agreed to retain the paragraph in question in square brackets and to forward the Draft Joint Communiqué as contained in document **G-15/09/DJC/Rev.7** to the Heads of State and Government for further consideration and resolution.

Consideration of Financial Matters:

(a) Financial Report for the year 2008

16. The Ministers of Foreign Affairs received and took note of the Financial Report for the year 2008 prepared by the official Auditors of the Group of Fifteen, as contained in document **G-15/09/AUD**.

(b) Proposed Budget for 2010

17. The Chairman formally presented to the meeting, for consideration and approval, the Proposed Budget of the Group for the year 2010 as recommended by the Personal Representatives. He noted that the Proposed Budget, contained in document **G-15/09/FM31/5**, amounting to US \$1,208,659, was within the range of the approved budgets for the last five years. The Ministers subsequently approved the Proposed Budget for 2010, taking into account the financing option, including the retention of each member's annual contribution at \$25,000, recommended by the PRs, as reflected in the Report of the Chairman of the Personal Representatives.

Other matters:

18. The Meeting observed that while the idea of organizing the Summit on the flanks of another gathering of Heads of State began with the 13th Summit, which was held in Havana in 2006, parallel to the NAM Summit, the present timing has turned out to be extremely demanding for G-15 Heads of State and Government, some of whom had to attend the G-20 Summit being held on 24-25 September 2009 in Pittsburgh, USA while others would be participating in the Africa-South America Summit taking place in Venezuela on 26-27 September 2009. It was proposed that the Troika Foreign Ministers should conduct consultations among themselves and agree upon a new date for the Summit. The suggestion found support from member countries, including Sri Lanka, the incoming Chairman of the Group, whose representative stated that his country would be pleased to postpone the 14th Summit to another date when the President of Sri Lanka would himself be able to attend. The Meeting thereafter decided to postpone the 14th Summit to another date to be decided upon later.

19. While concluding, the Chairman expressed his appreciation for the support and cooperation that he had enjoyed from all Ministers over the past three years. He also expressed the hope that same courtesies and support would be extended to his worthy successor, the Foreign Minister of the Democratic Socialist Republic of Sri Lanka, whose government would assume Chairmanship of the Group at the end of the 14th Summit meeting.

20. Before adjourning, the Ministers commended the Government of the Islamic Republic of Iran for its exemplary stewardship of the affairs of the Group during its Chairmanship. They also expressed their appreciation to the staff of the Meetings and Management Section of the United Nations, the Translators and the staff of the TSF for their invaluable efforts in facilitating the Meeting.
