



## VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA DURING THE CTBTO-WORKING GROUP B 21ST SESSION, 26 MAY - 6 JUNE 2003 DELIVERED BY H.E. AMBASSADOR RAIMUNDO GONZALEZ ANINAT, PR OF CHILE ON BEHALF OF H.E. AMBASSADOR ROBERTO ABDENUR, PR OF BRAZIL

Mr. Chairman,

On behalf of State Signatories of the Group of 77 and China, I am pleased to see you chairing the first part of the 21st session of Working Group B. I believe that under your chairmanship and guidance, discussions will lead to fruitful conclusions and I assure you of our full support and cooperation.

The Group wishes to thank the Executive Secretary, Ambassador Wolfgang Hoffmann, for his comprehensive written and oral reports and we would like to express our appreciation for the diligent efforts of the whole PTS in implementing the mandates of the Preparatory Commission for the establishment of the verification system at the Entry Into Force of the Treaty.

The Group would also like to take this opportunity to express our deepest sympathy and condolences to the people and Government of Algeria for the recent earthquake which caused loss of thousands of human lives and damage to properties.

The Group would like to express its views on the following issues, which will be considered during the present meeting of Working Group B.

In consideration of the verification related work programme and budget for 2004, the Group would like to reiterate the views expressed in its previous statements, in particular that any proposal for programme and budget for 2004 and thereafter, should be guided by the following main principles, First: the actual prospect of the Entry Into Force of the Treaty (EIF), Second: the capabilities of the Member States to pay their assessed contributions, Third: the capability of the PTS to consolidate the budget.

In this regard the Group would like to emphasize the Gentlemen's Agreement contained in the report of the nineteenth session of the Prep Com, document CTBT/PC-19/1 para 33, approved by all members of the Prep Com, which clearly reads as follows: "The Provisional Technical Secretariat should do its utmost to keep the draft 2004 Budget at the level of the 2003 Budget and that the required resources will be evaluated carefully in order to approach the level of the 2003 Programme and Budget".

Accordingly, the Group urges the WGB to keep its recommendations for 2004 Programme and Budget in line with the above mentioned Gentlemen's Agreement. With regard to the initial draft Program and Budget for 2004 (CTBT/PTS/INF.586). We take note the efforts of the PTS in implementation of a realistic approach towards the program and budget for 2004 and trying to keep the 2004 at the same level of 2003 with no programmatic increases over the 2003 funding level, or in PTS staffing levels. We believe that the PTS should prioritize and reallocate its resources between Major Programmes within the constraint of no programmatic increases.

However, the Group believes that the basic budget for the calculation of 2004 program and budget, based on the assumption of no programmatic increases, should be the exact level of the 2003 programme and budget, which is 88.5 million \$.

While we understand that some additional resources might be needed in 2004, due to the price increases, staff cost increases, the exchange rate fluctuation and the estimated cost of \$1.6 million arising from the

implementation of the seven year rule effective from 1997 as indicated in the March PTS analysis (CTBT/PTS/INF.542/Rev.1), we believe that the total amount of \$95 796 100 for the 2004 budget is far beyond the capability of Member States to pay and the Gentlemen's Agreement on keeping the budget of 2004 at the same level as the 2003 Programme and Budget.

Taking into account the fact that the estimated adjustments for price increases, inflation and exchange rate are all subject to change over time and will therefore be adjusted accordingly in the final draft 2004 Programme and Budget in September 2003, in discussion of the budget we prefer to mainly concentrate on the assumption of no programmatic increases and keeping the budget at the level of 2003. The Group believes that the said "increments and programmatic requirements" as mentioned in the budget presented by the PTS on 26 May 2003, amounting to \$1.81 million should be included as part of the programme and not dealt with within the adjustment process, since, this incremental cost consists of software development and hardware acquisition and xenon detection equipments. In this regard we believe that further savings could be made in the following areas:

Funding for the Capital Investment Fund (CIF) should decrease substantially as a lot of progress has already been made in the IMS Major Programme, and the majority of stations have been site surveyed, installed and are being certified and we are at the stage of organizational transition of the PTS and its departure from station installation orientation.

The Group believes that according to the resolution on the establishment of the Prep Com, technical testing and provisional operations, as necessary, pending the Entry Into Force (EIF) of the Treaty is a task of the Prep Com. Any operation of IMS stations before the EIF of the Treaty is provisional and testing in nature and only for the purpose of testing and evaluating the performance and data quality of IMS stations. The Group welcomes the adoption of the guidelines for technical testing and provisional operation of certified IMS stations, the GCI and the IDC in the last Prep Com [CTBT/PC-19/1/annexII, para 13]. We believe that the mode of operation of IMS certified station should be determined in the light of actual needs of testing and maintenance of the IMS network, and financial concerns of State Signatories should be duly taken into account. Therefore Post Certification Costs should be reduced taking into account the estimation of the PTS in document CTBT/PTS/INF.536 para 24 and the already approved guidelines in the WGB (CTBT/WGB-19/1 para 15) and WGA (CTBT/WGA-22/1 para 15).

According to the approved guidelines in the 19th session of the Prep Com, there is no verification directly related activities for the IDC before the EIF of the treaty, so the Group is of the opinion that there is no urgent need for replacing of the IDC hardware in 2004 and the budget of acquisition of hardware should decrease.

The Group believes that all the elements of the verification regime of the treaty including IMS, IDC and OSI, are important and in this regard attaches great importance to a balanced approach in establishing all those elements. Due to the complexity of the OSI issues, active participation of all members is important so we urge all the States Signatories to actively participate in the OSI discussion. From our point of view elaboration of the draft OSI Operational Manual, based on the Initial Draft Rolling Text (IDRT), remain a priority task for all members of the Commission. From our point of view, enough resources should be allocated to the OSI major program in order to help the necessary preparations for the establishment of the OSI regime at Entry Into Force of the Treaty. This should include testing and evaluation of all OSI equipments, establishing supporting infrastructures and preparing a comprehensive programme for training of the inspectors and inspection assistants after the EIF of the treaty.

Thank you Mr. Chairman.