



VIENNA CHAPTER

STATEMENT OF THE G-77 AND CHINA DURING THE CTBTO-WORKING GROUP A 23RD SESSION, 10 -13 JUNE 2003 DELIVERED BY H.E. AMBASSADOR PIROOZ HOSSEINI, PR OF ISLAMIC REPUBLIC OF IRAN 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 23rd session of Working Group A. 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 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 like to express its views on the following issues, which will be considered during the present meeting of Working Group A.

Mr. Chairman,

We appreciate the activities undertaken by the PTS during 2002 in implementation of Major Programmes 6 (Policy Making Organs) and 7 (Administration, Coordination and Support). We would like to ask the PTS to continue assisting in promoting cooperation among States Signatories to facilitate exchanges of technologies used in the verification of the Treaty. The Group believes that training courses of the PTS are useful elements of dissemination of information about different technologies of the Treaty and should be further coordinated and widely represented.

In consideration of 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 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".

With regard to the initial draft Program and Budget for 2004 (CTBT/PTS/INF.586), we take note of the efforts of the PTS in the 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 their contributions and it is not in line with 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. In this regard we believe that further savings could be made in the following areas:

Since the PTS is at the stage of organizational transition from station installation orientation, we believe that the funding for the Capital Investment Fund (CIF) should decrease substantially. For provisional operation and maintenance costs, we are of the view that 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). The Group also believes that budget for acquisition of hardware should decrease.

The Group believes that the Human Resources issues in the PTS should be treated in an open and transparent approach according to the existing staff rules and regulations. Therefore, the Group strongly support the Commission's non-career policy, especially the seven-year limit on service with the PTS, as outlined in its staff rules and regulations and the administrative directive on recruitment, appointment, reappointment and tenure. Equitable geographical representation and full consultation with different regional groups and countries, as well as high level standards of expertise, competence, integrity and experience shall be the main criteria for appointment of the staff in the PTS.

We have studied very carefully the papers regarding the seven year service limit for the personal of the PTS in documents CTBT/PTS/INF.542REV1, CTBT/PTS/INF.574, and CTBT/PTS/INF.588. Concerning the different options for the starting time of the seven year limit for the staff, we support a clear transparent and legal option with no future consequences which benefits the Prep Com of the CTBTO. We believe that 1999 option, from the budgetary point of view is not a solution to the problem but is a postponement of financial burden.

Thank you Mr. Chairman.