



STATEMENT BY THE GROUP OF 77 AND CHINA DURING THE FORTY-FIRST SESSION OF WORKING GROUP A, 23-25 MAY 2012, DELIVERED BY H.E. AMBASSADOR ANTONIO GARCIA, PERMANENT REPRESENTATIVE OF PERU

Chairperson,

1. The Group of 77 and China is pleased to see you, Ambassador Jargalsaikhan Enkhsaikhan, at the helm of this Forty-First Session of Working Group A and trust that under your able stewardship this session will be concluded successfully.
2. The Group takes note of the reports of the Executive Secretary on the verification related activities, the Annual Report for 2011 and the non-verification related activities of the Organization.
3. Whilst taking note of the significant progress achieved in establishing the global verification system that is near completion, the Group is of the opinion that in line with this status, the Preparatory Commission should maintain an adequate balance between budgetary implications and the prospects of the entry into force of the CTBT.

Chairperson,

4. On agenda item 3 on the review of the Advisory Group recommendations, the Group of 77 and China takes note of its reports during its Thirty-Eighth Session and would like to offer a few thoughts on the findings of the Advisory Group.
5. The Group takes note of the conclusion of the Memorandum of Understanding with the World Food Programme in February 2012 on the ERP system. Whilst the Group notes the initial progress of this project, it would like to request the PTS to keep States Signatories informed of the budgetary implications and present a breakdown of the funds spent to date, as well as continued updates on the implementation of all the components. The Group recalls that the ERP project is due to be concluded by the end of 2013, as approved during the Thirty-Fifth Session of the Preparatory Commission in November 2010.
6. The Group takes note of the PTS's intention to amend the Financial Regulations and Rules of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, as necessary for the implementation of ERP and IPSAS, as well as to introduce best practices from other international organizations, and hence, urges the PTS to carry this out in accordance to article 16 of the Financial Regulations and Rules of the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization.
7. The Group of 77 and China also endorses the AG recommendation that the PTS sets out and fully explains the rationale and justification for each proposed amendment to the Financial Regulations and to the Rules, clearly separating the amendments into three different categories: amendments essential for the implementation of IPSAS; amendments essential for the implementation of the ERP; and amendments intended to introduce best practices from other international organizations.
8. The Group has noted the recommendations by the Advisory Group to the Executive Secretary in which it asks for a detailed explanation of the refund process in the supplementary appropriations to finance the IFE in 2014, either in a separate official document or in the revised Programme and Budget for 2013, and as such, the Group is looking forward to the Executive Secretary's feedback.

Chairperson,

9. The Group takes note of the initial draft of the 2013 Programme and Budget, prepared by the PTS, and would like to note that the Group of 77 and China has always maintained a principled position of zero real growth and more so now, given the austerity measures that States Signatories are experiencing. The Group believes that a zero real growth budget can be maintained if there is streamlining and re-prioritization within the different Major Programmes.

10. Furthermore, the Group reiterates that a balance between the IDC, IMS and OSI Divisions must be achieved. Whilst noting in the Director of Administration's budget presentation to States Signatories on 2 May 2012 that one of the PTS priorities for 2013 is to establish a balance between the IMS, IDC and OSI Divisions, the Group notes that in the initial draft budget this envisaged balance is not achieved, as a \$2 million increase between the IMS and IDC Divisions respectively are noted for 2013.

Chairperson,

11. The Group is concerned with the initial draft budget proposal reflecting an increase of 1.7 per cent over zero real growth compared with the 2012 Budget and this is in addition to the tentative price increases which amount to a further 1.9 per cent. The Group therefore encourages the Secretariat to re-prioritize its activities for 2013 and to present an amended budget proposal to States Signatories.

12. The Group would like to request a detailed proposal as to what the "Storage Area Network replacement and enhancements" entail, as the Group cannot recall that this project was ever presented to States Signatories and especially since the PTS deems it important enough to warrant a \$1.5 million increase in the initial draft budget proposal.

13. Furthermore, whilst the Group welcomes the work conducted by the PTS on building technical capacity for National Data Centres (NDCs) and station operators to accelerate the build-up of relevant technological infrastructure in developing countries, the Group nonetheless has to caution against the envisaged \$0.5 million which the PTS included as an increase in the 2013 budget for the NDC capacity building and system upgrade. The Group believes that if streamlining is applied within the different divisions, these additional funds could be sourced from within the Regular Budget and within the existing baselines and resources.

14. On agenda item 7, the Group notes the slight increase in the representation of women in the Professional category and although the Secretariat's efforts are welcomed, the Group encourages the Secretariat to continue its efforts in promoting and increasing the employment of women. The Group also urges the PTS to take due account of the importance of a balanced geographical representation within the PTS, which regrettably is still missing.

Chairperson,

15. The Group urges the States Signatories of the organization to start discussions and consultations on the different modalities of the appointment of the new Executive Secretary of the CTBTO, to be adopted by the Preparatory Commission.

16. With these remarks, the Group reiterates its pledge to work in both a constructive and committed way. May these deliberations be fruitful and result in substantive progress on the important issues coming to our consideration during the current session.

Thank you.