



STATEMENT BY THE GROUP OF 77 AND CHINA DURING THE FORTY-SIXTH SESSION OF WORKING GROUP A, DELIVERED BY H.E. AMBASSADOR LOURDES O. YPARRAGUIRRE, PERMANENT REPRESENTATIVE OF THE PHILIPPINES

Mr Chairman,

1. The Group of 77 and China is pleased to see you, Ambassador Azeez, chairing the Forty-Sixth Session of Working Group A. The Group takes this opportunity to renew to you the assurances of its full support and cooperation.
2. The Group thanks the Director of the On-Site Inspection Division, Mr Oleg Rozhkov, for the statement delivered on behalf of Mr Lassina Zerbo and takes note of the reports of the Executive Secretary on the verification and non-verification-related activities of the Provisional Technical Secretariat (PTS) of the Preparatory Commission.
3. The Group would also like to thank you, Mr Chairman, for the informal consultations convened upon your initiative to discuss different topics of relevance falling under the purview of Working Group A, namely the Programme and Budget for 2015 as well as proposals for the introduction of a scheme of biennial budgeting and a multiyear funding modality for the activities of the Commission. We commend you for this approach, which, in a broader context, is conducive to fruitful discussions among States Signatories on these and other related issues of relevance to the work of the Commission and its subsidiary bodies in an open, transparent and inclusive manner.
4. On agenda item 3 on the review of Advisory Group recommendations, the Group of 77 and China thanks the Advisory Group for the work carried out at its Forty-Third Session and takes note of its report. In this regard, the Group would like to make the following comments:
  - 4.1. The Group takes note of the explanations provided by the PTS on post-certification activity (PCA) costs, including those elaborated in Information Paper CTBT/PTS/INF.1294 and the additional clarifications provided to the Advisory Group during the latter's recent session, specifically on the factors contributing to variances in PCA costs. The Group further notes the limitations confronted by the PTS in terms of the extent of the information that can be made available in light of the confidential nature of the commercial component of PCA contracts, as well as the explanations provided both by the PTS as well as by the Executive Secretary during the twenty-third joint session of Working Groups A and B, that the main driver behind these variations is the increase in the number of stations of the International Monitoring System. Nonetheless, the Group is of the view that the PTS needs to remain vigilant in this regard, as a continued monitoring of variances in PCA costs is functional to keeping costs in check, achieving efficiencies and safeguarding the interests of the Commission, bearing in mind the current financial constraints. The Group encourages the PTS to continue to keep States Signatories apprised as contracts are negotiated and budgets are renegotiated and as the PTS further refines its assessment of the different aspects in this multifaceted and evolving process. The Group looks forward to receiving additional information stemming from the recent internal audit of the negotiation of procurement contracts by the PTS.
  - 4.2. Regarding the possible introduction of biennial budgeting at the PTS, the Group takes note of the report contained in Information Paper CTBT/PTS/INF.1293 and Corr.1, describing the implications of this proposal for the PTS, as well as of Information Paper CTBT/PTS/INF.1302, providing details on the proposed changes to the Financial Regulations and Rules. The Group sees merit in the notion of introducing

biennial budgeting as a means to streamline the budgetary process and notes with interest the two modalities identified by the PTS in the report, with preference being expressed by the PTS for the modality contemplating appropriations for the first year of the planning period, while accommodating possible adjustments during the budgeting period. The Group welcomes the exchanges of views during the informal consultations held last week and encourages further consideration of this proposal, taking due account of all the elements that need to be factored into the decision, including thorough consideration of the extent and nature of the amendments to the Financial Regulations and Rules, and a proper assessment in line with budgetary practice in other international organizations. The Group stresses the importance that possible implementation of a modality of biennial budgeting at the PTS should be done with the full involvement of States Signatories throughout the entire budgetary cycle and in all stages of the decision making process. The Group requests the PTS to further elaborate on these and other substantive aspects inherent to the proposal, in the form of an addendum or supplementary document to the Information Paper outlining its main elements.

4.3. Regarding the proposal for establishing a multiyear funding modality at the PTS, the Group of 77 and China takes note of Information Paper CTBT/PTS/INF.1298 issued by the PTS on Tuesday, 30 September, seeking to further elaborate on the basis of the non-paper considered by the Advisory Group at its September session. The Group welcomes the informal consultations held last week on this topic under your stewardship, Mr Chairman. The Group thanks the PTS for its continued feedback and acknowledges that this is a complex issue, which requires careful consideration in light of numerous factors, including the recommendations made by the External Auditor of relevance in this matter and the views expressed by the Advisory Group. The Group considers that a thorough discussion is needed in order to fully assess the consequences and implications of this proposal and requests the PTS to continue to engage with States Signatories in its continued feedback in this regard.

5. On the adjustments to the 2015 Programme and Budget contained in the Information Paper CTBT/PTS/INF.1280/Rev.1, the Group of 77 and China thanks the PTS for the work on this important document. The Group commends the PTS for the clarity with which this draft presents the highlights of the proposed deliverables against the strategic priorities in 2015 as set out in the Midterm Strategy: 2014-2017, as well as for the explanations on the variances between 2014 and 2015 by Major Programme, programme and item of expenditure. The Group also commends the Executive Secretary for the efficiencies sought in terms of allocation of resources among the Major Programmes, bearing in mind the prevailing climate of international economic and fiscal austerity.

6. Finally, on the post sought by the PTS for a representative officer at United Nations headquarters in New York, the Group thanks the Executive Secretary for the information provided during the informal consultations held last week. The Group would appreciate receiving additional relevant information in this regard.

Thank you, Mr Chairman.