



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE JOINT MEETING OF WGA AND WGB, DELIVERED BY H.E. AMBASSADOR SAYED ELAMIN, PR OF SUDAN ON 21 MAY 2007

Mr. Chairman,

At the outset, on behalf of the Group of 77 and China, I would like to thank both chairpersons of Working Groups A and B for convening this joint meeting. The Group would also like to thank the Executive Secretary for his oral report.

**Initial Draft Programme and Budget proposals for 2008**

Mr. Chairman,

Regarding the draft Budget proposals for 2008 as contained in document CTBT/PTS/INF.880 the Group would like to express the following general remarks:

The Group shares the view that as indicated by the PTS, if the current approach toward program and budget continues, there would be more stress not only on 2008 budget but also on the budget of the future years. In this context, the Group believes that we need a realistic and reasonable approach rather than talking about ambitious or conservative approaches. To avoid the future challenges, we need to review and change our assumptions, taking into account the realities. Changing the tactics would not be helpful in this regard. In such a review, three key elements should be highlighted;

- the current status of the verification system,
- the mandate of the PrepCom, and
- the actual prospect of Entry Into Force of the Treaty.

Regarding the current status of the verification system, 10 years after the establishment of the PrepCom, the Group takes note that the advanced phase of the build-up of the verification system is in place. The reaction of the system to the 9 October 2006 event demonstrated this reality very well. Although this is not the end of our goal, nobody can deny that we can rely very much on the current arrangements. There is no doubt that through an incremental and smooth approach, the verification regime could be improved.

On the mandate of the PrepCom, we need to come back to the key concept of "provisional operation" in the Treaty. As envisaged in the resolution of the establishment of the PrepCom, the main task of the PrepCom is to establish the verification system as "to operate provisionally as necessary the NDC and the IMS networks, provided for in the Treaty." The Group believes that if the mandate of the PrepCom be fully observed, the heavy burden on the Programme and Budget would be substantially removed. This is a reality that the system now operates almost in full rather than provisional, therefore it has put a great financial burden on Signatory States, regardless of its legal implications.

The last key element which should be highlighted is the actual prospect of entry into force of the Treaty. According to the mandate given to the PrepCom, "The Commission shall between the time the Treaty is opened for signature and the conclusion of the initial Session of the Conference of the States Parties, establish the verification regime." Since there is no specific timeline for the entry into force of the Treaty, therefore no specific timeframe has been defined for the completion of the verification regime. Saying so, it is up to the States Signatories to have an estimate on this issue, taking into account the international political environment and current realities. As indicated before, fortunately the verification regime has been nearly completed and we are now in the process of its improvement. We should also consider this reality that speeding up the completion of the system and making it operational would lead to more costs not only for

the completion but also for the post-certification activities (PCA) which is mainly maintenance of the system. This could be confirmed as we face with new proposals to create a new capital investment fund for sustainment of the system in addition to the recapitalization.

The Group believes that if this realistic and reasonable approach be taken, the PTS will release from the budget burden. The PTS would not also be under pressure regarding the human resources and difficulties on turn over of the staff. In this context the Group urges the PTS to observe the seven-year service limit for professional and internationally recruited General Service staff members. The Group reiterates its view that it is important the seven-year limit is strictly adhered to in spirit and letter.

Mr. Chairman,

Further to the above-mentioned key issues, we cannot ignore a very important reality which is the non-payment by a major contributor of its financial obligations to the PrepCom. The Group is very concerned that during the recent years near \$15 Million has not been paid by a major contributor. Such a situation, if continues, would create a serious challenge to the CTBT verification regime and jeopardize the future of the whole system. In this regard the Group urges this State Signatory to reconsider its political position and selective approach to the Treaty, and support fully the PrepCom.

The Group also believes that a balance should be established between all elements of the verification regime.

At the end, The Group re-emphasizes that the real zero growth budget is most important to the Group and should be applied to the 2008 Programme and Budget. In the light of the above mentioned realities and review of the assumptions the Group even expects that the Budget for 2008 and following years could be decreased. In conclusion the G-77 and China would not be in a position at this stage to accept the 2008 Programme and Budget pending a reduction and indentification of savings in the budget.

### **2006 Programme and Budget Performance report**

Mr. Chairman,

The Group takes note of the 2006 Programme and Budget Performance report as contained in document CTBT/PTS/INF.881 and thanks the PTS for preparing this document. The group takes note that a total of 244 stations or 76% of the IMS have been established at the end of 2006 and 190 (59%) of IMS stations are in IDC operations.

The Group also takes note that more than \$15 Million of the 2006 Budget has not been spent. The Group is of the view that the increasing rollover amount of unspent budget accrued over the previous years indicates that the PTS would need to prepare a more realistic and reasonable draft programme and budget for 2008 and future years.

### **Restructuring of the Provisional Technical Secretariat**

Mr. Chairman,

The Group takes note that the restructuring of the PTS is ongoing and would be finalized at the end of 2007. In this regard, the Group expresses its concern that in spite of the previous briefings of the PTS to States Signatories, which the restructuring of the PTS would lead to a reduction of the Budget, the initial draft Programme and Budget for 2008 has been increased.

**Any other business:**

### **Record of Annual Declarations of Interests for Participants in WGB Meetings**

Mr. Chairman,

The Group takes note of the Chairman proposal under the title of "Record of Annual Declarations of Interests for Participants in WGB Meetings" dated 5 February 2007 and thanks him for preparing this paper.

The Group is aware that the decision on this proposal was taken in 28th WGB meeting (5-16 February 2007) on the basis of "no objection" procedure.

However, the Group would like to receive more information on legal implications of the above mentioned decision.

Thank you Mr. Chairman.