



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE JOINT MEETING OF WORKING GROUPS A AND B OF THE PREPARATORY COMMISSION OF THE COMPREHENSIVE NUCLEAR-TEST-BAN TREATY ORGANIZATION ON FEBRUARY 25th 2008, DELIVERED BY H.E. AMBASSADOR A. VALLIM GUERREIRO, PERMANENT REPRESENTATIVE OF BRAZIL

Mr. Chairman,

At the outset, on behalf of the Group of 77 and China, I would like to express our satisfaction with the election of Ambassador Abdulkadir Bin Rimdap for a further term of office as Chairman of Working Group A.

The Group also wishes to express its gratitude to both chairpersons of Working Groups A and B for convening this joint meeting and to the Executive Secretary for his oral report.

Mr. Chairman,

Regarding the issue of guidance to the PTS for the preparation of the initial draft 2009 Programme and Budget, the Group of 77 and China would like to reiterate the need to take into consideration the following four key elements;

- the current well-advanced status of the verification system,
- the mandate of the PrepCom on the provisional operation of the system,
- the actual prospects of entry into force of the Treaty, and
- the need to minimize the financial burden to be borne by States Signatories.

As regards the first key element, the Group notes that, 10 years after the establishment of the PrepCom, the verification system has reached a very advanced stage. The monitoring network of the IMS is already capable of meeting the verification requirements of the Treaty, a fact that was demonstrated, inter alia, by its reaction to the event occurred on October 9th, 2006.

It is also worth recalling that according to the mandate of the PrepCom, as defined by the resolution of States Signatories that established it, its main task is "to operate provisionally as necessary the NDC and the IMS networks, as provided for in the Treaty" and to "undertake all necessary preparations to ensure the operationalization of the Treaty's verification regime at entry into force". The Group therefore underlines that the current nearly-full operational status of the IMS represents a departure from this provisional mandate and is the main cause of the current budgetary strains.

The last key elements, which should be highlighted, are the actual prospect of entry into force of the Treaty and the issue of the financial burden on States Signatories. 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. That being said, 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 establishment of the monitoring network has reached a very advanced stage. In this regard, and taking into account the actual prospects of entry into force of the Treaty in the near and medium term, the PrepCom should consider very carefully and cautiously the future timeframe for the final steps towards the completion of the IMS, with a view to minimizing future capital investments and maintenance costs and hence the financial burden to be borne by States Signatories.

As a corollary to these key elements, the Group emphasizes that the verification related budget for 2009 shall once more be based on a principle of zero real growth. In light of the above-mentioned realities and review of the assumptions, the Group expects that the Budget for 2009 and for the following years could be decreased. The Group also expects that the Budget for the coming years should be proposed based on the actual estimate of the received assessed contributions, as well as the other mentioned key elements.

Mr. Chairman,

As regards the 2009-2013 Medium Term Plan, the Group of 77 and China takes note of the revision of the installation plan for the IMS. Whereas the previous version of the document contemplated the overambitious objective of having nearly 100% of the IMS Stations installed by 2012, the current Medium Term Plan is now based on a more reasonable figure of 92% by 2013. That notwithstanding, the Group notes with concern that this revised objective still seems excessively ambitious, especially in view of the many challenges that lie ahead in the period under consideration, which were duly outlined in the Plan itself.

In addition, the Group is also particularly concerned with the fact that the revision of the objectives of installation of IMS Stations has not been accompanied by a commensurate decline in the projected yearly costs for the sustainment of the system by the end of the period. In comparison with the previous MTP, whereas the number of Stations that are expected to be installed by the end of the period is 7% smaller, the estimated sustainment costs were reduced by only 3,18% . It should also be noted that these estimates still do not include recapitalization costs for noble gas stations, which are expected to be quite substantial, taking into account the high cost of its associated equipment.

By the same token, the Group believes that the first of the strategic goals that underpin the current MTP, which is to "Complete the IMS Verification System Infrastructure", and its associated objective 1.1, which is to "conclude the build-up of the IMS network", are inconsistent with the installation plan laid out by the Plan itself, since the actual completion of the System is not attainable in the period under consideration. In this regard, the Group believes that such objectives belong in a longer-term timeframe and that their fulfillment depends on much-anticipated political developments towards entry into force of the Treaty.

Against this background, the Group also believes that the objectives of the MTP as regards OSI should be realistic and take into account both the need to appropriately assess the results of the IFE08 as well as the complexity and financial consequences inherent to the preparation of the mock inspection.

As a consequence, the Group would like to recall its proposal for a temporary freeze in the negotiation of new contracts for IMS Stations. If adopted, such a proposal would avoid the anticipated escalation in sustainment costs, and at the same time allow for a gradual and smooth build-up of the IMS through the implementation of existing contracts. The savings obtained thereby could be applied in other areas of the PTS with a shortage of resources, such as the IDC, as well as in the constitution of a much-needed financial safety margin for the PTS, thus enabling it to better face its many future challenges.

Mr. Chairman,

The Group is also of the view that there is a need to continuously improve an adequately funded education and training programme to assist in the development of skills in developing countries and to complement national efforts in this regard.

Regarding the assessed contributions and current financial situation, the Group reiterates its grave concern about the non-payment by a major contributor of its financial obligations to the PrepCom and notes that during the recent years a large amount has not been paid by this major contributor. Such a situation has created a serious challenge to the CTBT verification regime and if it continues would jeopardize the future of the whole system. In this regard the Group urges this State Signatory to reconsider its political position and selective approach towards the Treaty, and support fully the PrepCom.

Thank you, Mr. Chairman.