



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE JOINT MEETING OF WGA AND WGB, DELIVERED MR. KAZEM ASAYESH, PM OF ISLAMIC REPUBLIC OF IRAN ON 3 SEPTEMBER 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 remarks.

Review of the initial draft 2008 Programme and Budget Proposals

Mr. Chairman,

The Group thanks the Executive Secretary for the adjustments proposed to the initial draft 2008 Programme and Budget as contained in document CTBT/PTS/INF.905 and takes note of it. The Group also takes note of the final draft of the 2008 Programme and Budget proposals as contained in document CTBT/.PTS/INF.880/Rev.1 and thanks the PTS for preparing this document.

The Group notes that the PTS efforts in reallocation and readjustment of the Budget has led to zero real growth in the Budget and believes that this document could be a sound basis for our discussion.

Mr. Chairman,

The Group has expressed its general views Regarding the Programme and Budget in general and for 2008 in particular during the previous meetings of Policy Making Organs. However, in light of the current financial situation of the PrepCom, the Group would like to reiterate its position as follows:

The Group thanks the PTS for considering some of the realities in adjusting the 2008 Programme and Budget and hopes that this approach be also reflected in the Medium Term Plan (MTP), taking into account the following 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 prospect of entry into force of the Treaty, and
- the financial burden on States Signatories.

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. It is clear that through an incremental and smooth approach, the verification regime could be completed.

The second important factor that we need to consider is the key concept of "provisional Operation" of the verification system. The Group believes that if the mandate of the PrepCom on provisional operation is fully observed, the heavy burden on the Programme and Budget would be substantially removed. In this regard it should be highlighted that the main part of the Budget is allocated to IMS and IDC operations. While the Group commends the Executive Secretary for implementing austerity measures, however as a long term solution, and taking into account the current serious financial situation, the PTS needs to seriously take into account this important concept in its Medium Term Plan. Hence, the Group urges the PTS to review and assess its work based on this key concept and report back to the Policy Making Organs (PMOs) accordingly.

Mr. Chairman,

Regarding the current financial situation, the Group is gravely concerned about the non-payment by a major contributor of its financial obligations in full 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.

Mr. Chairman,

In conclusion, while the Group re-emphasizes the principle of zero real growth budget, in the light of the above mentioned realities and current financial situation, the Group believes that based on the above mentioned realities, the Programme and Budget should be reviewed for the following years. In this context the Group expects that the Budget be substantially reduced and recommends the following interim measures be implemented:

With regard to the development of the Noble Gas Measurement Technique, The Group takes note of the document CTBT/PTS/INF.898 in which the PTS indicated the need for additional human and financial resources, and is of the view that due to the current serious financial situation of the PrepCom the subsequent phases of the project should be postponed.

The Group also takes note that 201 international monitoring stations have already been certified, 47 stations are going to be certified, 20 stations are under construction and the contracts of 15 stations are under negotiation. Due to the financial constraints and above mentioned realities, the Group is of the view that the PTS should postpone the negotiation for contracts, and installation of any new station, and need to focus its activities on certifying the remaining 47 stations.

Mr. Chairman,

Concerning the post-certification activity costs, the Group underlines that the PTS need to assess the related costs on a station by station basis, and specify the relevant criteria and a limit for the costs. The Group also believes that the assessment should be based on the "provisional operation" of the stations and how this key concept could contribute to the reduction of costs. The Group also reiterates that any related cost of the PCA should be within the financial resources.

On the restructuring of the PTS, the Group is aware that the restructuring of the PTS is ongoing and would be finalized at the end of this year. The Group hopes that the result of this process could contribute to the cost-effectiveness of the PTS and decrease in the following years Budgets.

Thank you Mr. Chairman.