



**DETAILED REPORT OF ACTIVITIES OF THE G-77 VIENNA CHAPTER DURING 2003 -
CHAIRMANSHIP OF PM OF BRAZIL**

During the year 2003 the G-77 Vienna Chapter held 139 Meetings (Plenary, Task Force and Working Group Meetings) - out of which 69 were organized on IAEA matters, 23 on UNIDO, 28 on UNOV and 19 on CTBTO matters.

A) United Nations Industrial Development Organization (UNIDO)

The Group of 77 and China believes that three of the most important issues dealt by UNIDO in 2003 are

- a) the alleviation of poverty;
- b) technical cooperation and the transfer of technology - especially new and environmentally sound ones, with a special emphasis on renewable energies and
- c) and the facilitating of market access to industrial goods from the developing world.

With this in mind, the Group endorsed UNIDO's efforts to play a key role in defining and implementing the international strategies to alleviate poverty by integrating them with sustainable industrial growth in the developing countries. The Group is of the view that UNIDO's involvement in these activities has helped raise its profile as one of the leading international developmental organization. The Group also saw with appreciation the convening, during the X General Conference, of the Industrial Development Forum on the achievement of the Millennium Development Goals. The G-77 and China views industrial development as very crucial to our attempts in meeting the global challenges set forth for pushing back the barriers of poverty.

Concerning environmental matters, the Group expects UNIDO to further promote the transfer of environmentally sound technology, including by means of South-South cooperation, and to capitalise on its position as an executing agency of the Global Environmental Facility (GEF), to broaden its financial base, through a more focused and realistic approach in programme designs, planning and assessment and implementation.

The Group welcomed UNIDO's initiative, as Task Manager for Chapter 16 of Agenda 21, to hold the Global Biotechnology Forum at Concepción, Chile, in December 2003.

The Group of 77 and China also welcomed the adoption of a Resolution on South-South Cooperation during the X General Conference, and hopes that UNIDO will play a larger role in this matter, by enhancing its facilitation and provision of its expertise and networking for supporting sustainable industrial cooperation among the developing countries.

The Group welcomed the establishment of an Informal Consultative Group on Trade Facilitation to outline ways and means to provide technical cooperation to the developing countries in quality control, standardization, metrology and certification etc. This should assist developing countries to build up their institutional industrial capacities to enable them to benefit from improvements in market access thereby promoting the rapid and full integration of these countries into the multilateral trading system, particularly in the light of the new round of WTO trade negotiations. The Group would however, like to emphasize that UNIDO's work in the trade facilitation area should complement the work already undertaken by other international organizations specializing in trade such as WTO and UNCTAD without duplication. In this regard we welcome the Memorandum of Understanding signed between UNIDO and WTO during the

Cancun Conference to increase cooperation between the two Organizations. The G-77 and China also welcomed the establishment of an Informal consultative group on voluntary contributions and non-Member States.

During the General Conference G-77 and China sponsored its own resolutions and also actively participated in the finalization of various resolutions of its constituent regional Groups and that of other groups, in order to ensure coherence in the industrial development priorities of developing countries.

The Group's resolution on "South-South Cooperation, a number of practical recommendations were made to highlight the need of augmenting cooperation within Southern hemisphere for industrial development in this region. The resolution on "Role of UNIDO in achieving the Millennium Development Goals focused on steps that UNIDO could undertake to play its role effectively in achievement of the quantified developmental targets set by the UN General Assembly to be met by 2015. Post crisis industrial rehabilitation and reconstruction of countries emerging out of the crisis situation was the main theme of the Group's resolution on "UNIDO activities in Countries Emerging from crisis Situations. The resolution on "UNIDO activities in the Palestinian Territories" emphasized the need to continue UNIDO activities there.

B) International Atomic Energy Agency (IAEA)

Programme and Budget 2004-2005:

The Board of Governors approved on July 18, 2003, a package proposal for the Agency's Programme and Budget for 2004 - 2005.

The agreed package, however not entirely satisfactory to all parties, is a successful common achievement, which provides the Agency with a sounder basis for it to continue to carry out its broader mandate.

The package includes a significant increase in budgetary resources for verification activities. The Group of 77 and China managed nevertheless to secure specific provisions that alleviate the corresponding financial burden for developing countries. The package also includes measures aimed at ensuring a proper balance between verification and promotional activities of the Agency, such as the reinforcement of the Technical Cooperation Fund.

Full implementation of the elements of the package will require a vigilant attitude on the part of the G-77 and China and further dialogue and negotiation.

Technical Cooperation:

The Group of 77 and China attaches utmost importance to the technical cooperation activities of the Agency not only because it primarily benefits the members of the Group, but also because the Group feels that all responsibilities of the Agency should have the same priority. The general accepted principles of balance makes it imperative that there should be an equitable distribution of resources between the various activities of the Agency. However, over the years, the distribution of resources among the various statutory activities of the Agency has seen an increasing tilt towards one of the areas, i.e. verification at the cost of other statutory activities

The Group has argued strongly that the resources of Technical Cooperation Fund should increase every year by at least the same proportionate amount as the Regular Budget. In order to make the resources for the TCF assured and predictable a review of rate of attainment mechanism shall take place as soon as possible. The Group also calls for the abolishment of the Assessed Programme Costs (APCs) and encourages Member

States, especially major donors to provide sufficient extra budgetary resources to implement approved technical cooperation projects for which funds are still lacking.

Safety:

The Group emphasizes that the Code of Conduct on Safety and Security of Radioactive Sources must have a non-legally binding nature. Furthermore, its provisions should not be used to hamper the peaceful uses of atomic energy or the export to developing countries of needed radioactive sources that have wide application in such areas as medicine, agriculture, industry and education. The G-77 and China underlines the importance of technical cooperation in providing assistance for the implementation of the Code of Conduct, including in the area of safe design and management of research reactors.

Nuclear Security:

The Group appreciates the Agency's efforts in implementing the nuclear security plan activities which should continue to be accorded high priority. Particular emphasis should be given to those activities with direct impact in Member States. The Group is fully convinced that a broad coverage of nuclear security and radioactive issues should be improved through training courses, workshops, seminars and international and regional courses. As regards resources, the Group has strongly argued that any nuclear security activity should not be implemented at the expense of the Technical Cooperation Programme.

C) Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO):

The total ban of any nuclear weapon test explosion in any environment will constrain the development and qualitative improvement of nuclear weapons and end the development of advanced new types of these weapons. That is why developing countries attach great importance to the Comprehensive Nuclear-Test-Ban Treaty (CTBT).

The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO Preparatory Commission) was established on 19 November 1996 to prepare for the Treaty's entry into force. The Preparatory Commission consists of two organs: a plenary body composed of all the States Signatories (also known as the Preparatory Commission), and the Provisional Technical Secretariat (PTS). The activities of the Preparatory Commission and its subsidiary bodies (Working Group A and Working Group B) are:

- 1- Establishment of a global verification regime to monitor compliance with the comprehensive ban on explosive nuclear testing after the EIF of the Treaty
- 2- Promotion of Treaty signature and ratification for early entry into force of the treaty.

Since the group attaches great importance to the total ban on nuclear testing, the Group has supported the activities of the Provisional Technical Secretariat and actively participated in the meetings of the Preparatory Commission and its subsidiary bodies (Working Group A and Working Group B) and has had a lot of significant achievements in

- a. Balancing the trend of the negotiations especially on budget and staff issues
- b. Supporting and preserving the interests of developing countries
- c. Preventing any deviation from the mandate of the Prep-Com and its rules and regulations
- d. For the first time, achieving the implementation of the principle of real zero growth in the CTBT budget
- e. Implementation of the non-career policy of the Commission, and the 7 year limit rule for the staff service
- f. Keeping the integrity and a balanced approach in the development and establishment of all elements of the verification system
- g. Balancing the technical discussion by insisting that the mode of operation of IMS certified station should be determined exclusively in the light of actual needs of testing and maintenance of the IMS network,

h. Keeping the schedule of meetings of the Policy Making Organs in 2004 based on the pattern of meetings in 2003 proposed by G77 and adopted by the Commission last year

In the Prep-Com meetings, the main objectives pursued by the G-77 and China are:

- Support the Treaty and its objectives;
- Support the relation between the actual prospect of the entry into force of the treaty and the establishment of verification system;
- Support and impartial appreciation of the diligent efforts of the PTS in implementing the mandates of the Preparatory Commission for the establishment of the verification system at the Entry Into Force of the Treaty;
- Support the convening of Article 14 Conference for facilitation of the Entry Into Force of the Treaty and welcoming the outcome of this conference;
- Support the agreements between the Preparatory Commission and Nuclear Weapon Free Zones such as OPANAL;
- Welcoming the new signature and ratification of the treaty and encouraging further signatures and ratifications for early EIF of the Treaty;
- Support the objectives of International Cooperation activities as stipulated in the Treaty, including facilitation of fullest possible exchange of technologies relating to the verification system, capacity building in different states and application of those technologies for peaceful purposes and asking the PTS to guide all the international cooperation workshops in this direction;
- Supporting the training courses of the PTS as useful elements for the dissemination of information about different technologies of the international monitoring system facilities of the Treaty and asking for further coordination and wider representation of the training courses
- Express its appreciation for the excellent job that Ambassador Wolfgang Hoffmann as Executive Secretary has done and as he regrettably will not continue in his functions beyond mid-2005, expresses its readiness to work with other Member States on the procedures for the appointment of the new Executive Secretary including with due regard to equitable geographical rotation.
- As for the budget issues, emphasizing that the budget must keep relation with the actual prospect of the Entry Into Force of the Treaty, the capabilities of the Member States to pay their assessed contributions, and the capability of the PTS to consolidate the budget and underlining the Gentlemen's Agreement contained in the report of the nineteenth session of the Prep Com, for keeping the 2004 at the same level of 2003
- Support the efforts of the PTS in the implementation of a realistic approach towards the program and budget for 2004 by trying to keep the 2004 budget at the same level of 2003, with no programmatic increases over the 2003 funding level,
- Emphasizing the necessity of actions to be taken right away to protect the Commission against currency fluctuations.

Discussions in Working Group A mainly concentrate on administrative and legal issues. The group of G-77 and China

- Emphasizes that Human Resources issues in the PTS must be treated in an open and transparent approach according to the existing staff rules and regulations
- Stresses the importance of the non-career policy of the Commission, and the 7 year limit rule for the staff service
- Takes note of the fact that on the issue of the seven year service limit the Executive Secretary has started to implement this limit starting from March 1997 and asking the PTS to keep the exception in this regard in absolute minimum cases and report them to the Commission.
- Express its deep gratitude to the Directors of the PTS and welcome the new process for appointing the Directors
- Expresses the fact that equitable geographical representation and full consultation with different regional groups and countries, as well as high level standards of expertise, competence, integrity and experience shall be the main criteria for appointment of the staff in the PTS
- Supports the tentative schedule of meetings of the Policy Making Organs in 2004 based on the pattern of meetings in 2003 proposed by G77 and adopted by the Commission last year

- Calls upon all States Signatories to accord to the activities of the Commission, its officials and experts, cooperation and assistance as may be necessary for the exercise of their functions and the fulfillment of the Commission's purpose, in accordance with the laws and regulations in force in their respective countries
- Stress the need for training courses with wide representation and participation as useful elements of dissemination of information.

Discussions in Working Group B meetings, mainly focus on technical issues related to the establishment of verification system of the treaty. In this regard the Group of 77 and China

- Supports the integrity and a balanced approach in the development and establishment of all elements of the verification system including the OSI
- Invites and encourages active participation of all Member States in funding and negotiating the elements of the On Site Inspection Major programme
- Stresses that elaboration of the draft OSI Operational Manual, based on the Initial Draft Rolling Text (IDRT), remain a priority task for all members of the Commission
- Expresses that the task of the Prep Com is technical testing and provisional operations, as necessary, pending the Entry Into Force (EIF) of the Treaty
- Insists that operation of IMS stations before the EIF of the Treaty is provisional and only for the purpose of testing and evaluating the performance and data quality of IMS stations
- supports adoption of guidelines for technical testing and provisional operation of certified IMS stations, the GCI and the IDC before the EIF of the Treaty
- Insists that the mode of operation of IMS certified station should be determined exclusively in the light of actual needs of testing and maintenance of the IMS network, and the legal and financial concerns of State Signatories should be duly taken into account during the negotiation of contracts for post certification activities.
- Supports the proposed system-wide performance test and asking the PTS to keep the phases and duration of this test very limited
- Stresses the importance of the National Data Centers (NDCs) and welcomes the establishment of a joint theme task of NDC in the framework of Working Group B and supports the main objectives of this task and ask the PTS to play a more active role in promoting the NDCs of developing countries
- Stresses the need for more training courses for the development of NDCs
- Emphasizes the urgent need for a Confidentiality Policy for the PTS that should establish a strict regime for the handling of data and information available to the PTS.

D) United Nations Office Vienna (UNOV):

In the areas of work on UNOV matters the G-77 and China continued to coordinate common positions in the following matters:

1. Ad Hoc Committee for the Negotiation of a Convention against Corruption:

The Ad Hoc Committee for the Negotiation of a Convention against Corruption held seven meetings around two years. During this time, the main issues of interest for developing countries in the negotiations of the draft convention were international cooperation, preventive measures, extradition and mutual legal assistance, seizure of assets illicitly acquired and their recovery by the country of origin. The Group supported that the monitoring mechanism should not be intrusive in nature and should respect the sovereignty of States.

The draft Convention was approved by the General Assembly, and then, a High-Level Political Conference was held in Merida, Mexico for the signature of the United Nations Convention against corruption, from 9 to 11 December.

Under the terms of the UN General Assembly-approved Convention against Corruption, ratifying countries will enter into a legally binding obligation to:

- Criminalize corrupt practices;
- Develop national institutions to prevent corrupt practices and to prosecute offenders,

- Cooperate with other governments to recover stolen assets,
- Help each other, including with technical and financial assistance, to fight corruption, reduce its occurrence and reinforce integrity.

95 Member States signed the Convention and a total of thirty ratifications are needed for the Convention to enter into force. Kenya has already ratified.

2. Commission on Narcotic Drugs

The G-77 and China stresses the need for strong and effective bilateral, regional and international cooperation to counter the threats posed by the continuing linkages between illicit trafficking of drugs and terrorism, money laundering, illicit traffic in arms and other forms of transnational organized crime. The Group reiterates the importance of alternative development, including preventive alternative development, especially for those countries that have adopted measures to reduce and eradicate illicit drug crops. Greater international cooperation is needed to support alternative development and preventive alternative development programs and projects, as well as for interdiction programs and reinforcement of national intelligence systems devoted to the neutralization of drug trafficking groups. In accordance with the principle of shared responsibility, the Group also calls for greater market access for products originating from alternative development programs. International cooperation must adequately address the needs of producing countries, transit countries, as well as the requirements of developing countries affected by growing demand and a surge in drug-related violence and crime. The global problem of drugs affects individual countries and regions in different ways. We must always keep in mind the fact that in developing countries the problem of drugs strikes societies already struggling with the enormous consequences of poverty and social exclusion. In this context international cooperation in the fight against drugs can only be effective if it reinforces developing countries efforts to promote sustainable development.

3. Commission on Crime Prevention and Criminal Justice

The G-77 attaches great importance to the commitments made in the Vienna Declaration, which seeks to address the issue of crime prevention and criminal justice in a comprehensive manner. In the context of action against all forms of criminal activity, the Group underlines the importance of strengthening mechanisms for enhancing prevention, law enforcement and institutional capacities of States against urban criminality, which is a high priority for many developing countries.

The entry into force of the Palermo Convention and its Protocols will mark the beginning of an effective international system to combat transnational organized crime. The Group also urges the need to further develop and strengthen the international regime against money-laundering under the aegis of the United Nations.