



VIENNA CHAPTER

DETAILED REPORT OF ACTIVITIES OF THE G-77 VIENNA CHAPTER DURING 2004 - CHAIRMANSHIP OF THE PM OF ALGERIA

During the year 2004 the Vienna Chapter serviced a total of 134 meetings 27 on UNIDO matters, 45 on IAEA, 32 on UNOV and 30 on CTBTO matters.

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

UNIDO had three meetings of its Governing Bodies during the year 2004 in which the Group coordinated its position:

A) 28th session of the Industrial Development Board, held from 25-27 May 2004

The Group pointed out the positive work of the Organization in the past year of 2003 in making their efforts in gaining strength, maturity and stability in all aspects, through its renewed financial stability and the much more specialized focus of the cooperation activities towards our countries during the year.

The adjustment of the modules of integrated services is a positive factor in the internal work of the Organization in the year 2003. Nevertheless, the Group strongly believes that these adjustments should respond to the needs of our countries, in particular the fulfillment of the objectives of the Millennium Development Goals.

The Group supports UNIDO's Global Forum initiatives such as the Global Biotechnology Forum and proposes the strengthening of UNIDO's role in this matter whenever it brings added value to technical cooperation activities and considers important the follow-up that the Organization will give to this Forum.

The Group of 77 and China followed with keen interest the work of the Informal Consultative Groups and welcomed the progress made so far. This is a good initiative of the Organization to underline UNIDO's new structure, performance and recent achievements in TC delivery in order to widen the membership of the organization.

The Group considered the efforts made by the Director-General to decentralize UNIDO and is of the view that such decentralization should, however, be done for efficiency and enhancement of UNIDO's TC delivery. The Group believes that decentralization is a key and central issue, which deserves closer attention, scrutiny and should be done well ahead in the spectrum of the currently envisaged reform of the United Nations bodies.

The Group believes that South-South Cooperation is of vital importance to developing countries and therefore commends UNIDO, and particularly the efforts made by the Director-General, for having active participations in conferences related to this and to enlarge private sector development. A special facility for the South-South cooperation should be created in order to call upon other international organizations and donor countries to increase their all types of contributions to UNIDO.

Concerning UNIDO activities in countries emerging from crisis situation the Group supports the thematic initiative taken during the 10th General Conference in accordance with its resolution GC.10/Res.6, and looks forward to its widespread implementation, where needed, bearing in mind the critical status and vulnerability of people in countries emerging from crisis situations, including countries emerging from conflicts where industrial rehabilitation and reconstruction represents a key element in view with economic recovery.

Finally, the 28th session of the IDB served as a basis for the forthcoming events during the current year.

B) 20th session of the Programme and Budget Committee, held from 8-9 September 2004

During this meeting the main issues of relevance to the Group were as follows:

Security Enhancement, Medium Term Programme Framework 2006-2009: Proposals of the Director-General and Draft cooperation agreement with the United Nations Development Programme.

The importance of the issue of Security Enhancement was pointed out by the Group which expressed its concern that recommendations for enhancing security measures should be decided by the Member States in a transparent manner with the Secretariat and with due regards to cost efficiency and realistic and practical approach based on a real threat perception and on the local security situation.

The Group noted that the MTPF for 2006-2009 is expected to evolve from the current MTPF for 2004-2007 to maintain broad continuity with it. The finalization of the MTPF has to be in conformity with the Business Plan and the Strategic Guidelines "Towards improved UNIDO programme delivery". UNIDO should retain its focus on providing technical cooperation services that enhance skills, technology and related capacities, with emphasis in areas where it has a comparative advantage.

Due to the fact that the proposed cooperation agreement with UNDP could affect the entire structure of UNIDO in the field, the Group actively participated in the discussions with the Secretariat. Following concerns and comments on the proposed strategic alliance were expressed as main issues:

- Integrity, identity, visibility, and responsiveness of UNIDO should be maintained in this process.
- Respective mandate of UNIDO and UNDP within the proposed strategic alliance should be defined more clearly.
- Elaboration of the rationale used in the determination of the type, level and location of the representation is needed.
- The future field representation scheme should preserve and build upon UNIDO's previous and existing achievements in the various regions.
- Any conversion of UNIDO offices should be made only after having evaluated the results of the pilot phase and in close consultation with the Member States.
- The one-year evaluation period was considered as insufficient to effectively evaluate and determine the future of UNIDO desk offices and accordingly the Group recommends that the performance assessment be made after two years as initially proposed by the Secretariat.

C) 29th session of the Industrial Development Board, held from 9-11 November 2004

The Group continued to express its concern on the urgency and importance of the Security enhancement and of the share which has to be borne by UNIDO. In this regard the Group has carefully evaluated the three options presented by the Secretariat.

Due to the lack of voluntary contributions the Group considers that the most suitable option under the exceptional circumstances is to finance UNIDO's share for the initial phase through the supplementary appropriations to be calculated according the scale of assessment for the biennium 2004-2005 and the withdrawal of the amount from the working capital fund as a temporary measure. The approved supplementary estimates shall be included in the assessed contributions of Member States for the biennium 2006-2007.

The Group of 77 and China is of the view that the unencumbered balances of appropriation that are due for adjustment to the Members States that have fully paid their contributions can be used by individual Member States to cover the above amount. However, the Group expressed its appreciation to Member States who have renounced their shares of unencumbered balances of appropriation for Integrated Programmes and

country service frameworks and encourages other Member States to do so.

South-South cooperation was considered by the Group as an essential means and a very valuable tool of contributing to the national efforts for developing countries to strengthen their economic development with a view to attaining the Millennium Development Goals.

In this respect the high-level conference on South-South Cooperation held in Marrakech, Morocco from 16 to 19 December 2003 as well as the forthcoming the first South-South Trade Forum in cooperation with UNDP, in 2005 in Beijing, China are important elements for the strengthening of South-South cooperation which complements North-South cooperation. The triangular cooperation arrangements where the know-how and technology of developing countries are combined with financial support from developed countries to provide assistance and to transfer technology and know-how to other developing countries.

As far as countries emerging from post-crisis situations are concerned, the Group would like to be informed in more detail on the significant developments concerning crucial programming activities for certain countries emerging from post-crisis situations. It also strongly recommends that the Secretariat continues its efforts in identifying areas in which UNIDO can play a role, designing projects, mobilizing donor countries and also involving, through initiatives of South-South cooperation and the contribution of other developing countries already involved to the overall recovery effort.

On the issue of decentralization the Group supports the efforts undertaken so far by the Director-General for a smooth and successful implementation of the agreement according to the suggested time schedule in the plan, and accordingly wishes to cooperate with the Secretariat to that end. Furthermore, the Group would like to further stress on the following elements to be given special consideration while starting the implementation process:

- (a) To ensure that the proposal for the Programme and Budget for the biennium 2006-2007 would entail financing the 2nd year of the pilot phase without any extra budgetary commitment, as it is envisaged for the 1st year of implementation.
- (b) Expansion of the field presence should contribute mainly to the increase of technical cooperation delivery. Accordingly, due consideration should be given to ensure the continuation of ongoing projects and implementation of the Integrated Programmes.
- (c) Conversion of any existing field offices into UNIDO desks during the pilot phase should be done in close cooperation with the concerned Member States.
- (d) In spite of the useful and positive elements contained in the "Criteria for selection and assessment of the effectiveness of UNIDO Desks", the Group is of the view that further refinement of these criteria is needed, in close consultation with Member States. The final version of the implementation plan should take into account the result of these consultations.

2. Important issues to be considered by the Group of 77 and China for 2005 on UNIDO matters:

- a) Criteria for selection and assessment of the effectiveness of "UNIDO desks"
- b) Implementation of the pilot phase of the Cooperation Agreement with UNDP
- c) Security Enhancement
- d) South-South Cooperation
- e) Activities in countries emerging from crisis situations
- f) UNIDO Long-term vision statement and associated activities
- g) Elections for a new Director-General and membership of countries for Governing Bodies

On UNIDO matters 24 meetings were held during the year 2004 (including Plenary, Task Force and Working Group Meetings).

IAEA MATTERS

The Group of 77 and China remained active during the year 2004 in pursuing the Member States' collective interests in the three pillars of the Agency's activities, i.e., technology, safety and security and verification. In addition to the traditional components of the Agency's programmes, the Group gave additional emphasis to the newly emerging needs in knowledge management and innovative technologies.

The Group enhanced its strategy to achieve better results in technical cooperation which remained the major area of its interest by promoting proactive interaction with the IAEA's Secretariat. In this regard special briefings were arranged with the TC department at the DDG level and one special meeting was also arranged with the D.G. with a view to strengthen TC implementation. In the same context special meetings were conducted with the Department of Safety.

In addition, the Group participated in several working level meetings with the various Agency departments including management and budget and finance. As the Member States of the Group mainly comprise the developing and the least developed countries of the world, the application of nuclear energy for the socio-economic uplift of these Member States has always been a major priority of the Group. To this end the Group has endeavoured vigorously in 2004 to strengthen the TC programme ties among the recipient and donor countries by maintaining a consistent policy that balance must be achieved between the TC and other statutory activities of the Agency and there should be assured and predictable provision of funds for the sustainability of TC programmes. In this regard the Group has actively participated in the working groups which were specifically constituted by the Chairman of the Board of Governors with a view to resolve the issues of Assessed Programme Costs, Due Account Mechanism and Mid Term Strategy for the years 2006 - 2011. The results are promising and expected to have strong impact on the strength of the TC programme.

During 2004 the Group has made 28 statements in the various Board meetings on the subjects closely related to the interests of the Group's membership. The Group also sponsored General Conference resolutions on (a) Strengthening the Agency's Technical Cooperation Activities (GC(48)/RES/12), (b) Support to the African Union's Pan African Tsetse and Trypanosomosis Eradication Campaign (AU-PATTEC) (GC(48)/RES/13.B), (c) Strengthening the Agency's Activities related to Nuclear Science, Technology and Applications (GC(48)/RES/13.A), (d) Development of the Sterile Insect Technique for the Control or Eradication of Malaria Transmitting Mosquitoes (GC(48)/RES/13.C) and (e) Programme of Action for Cancer Therapy (GC(48)RES/13.D). These resolutions were adopted with consensus after intensive consultations and negotiations with donor countries. These activities have provided the policy making organs of the Agency some clear guidelines for future planning and implementation of various Agency activities having a direct bearing on the welfare of the Group's Member States.

Another important direction the G77 and China took during 2004 was that it complemented its working strategy with the Vienna Chapter of the Non Aligned Movement on various issues of common interest. Prominent among these were the inputs on the Group's perspective on IAEA matters relevant to the NPT prepcom meetings held in New York this year. The Group has also played an important role in promoting interactions among the three regional groups, i.e., RCA, AFRA, ARCAL for synergetic planning of technical programmes taking due advantage of the large representation of these regional groups in the G-77 and China.

The success of the above mentioned activities has largely been due to the Group's considered policy during the year 2004 which aims at promoting better understanding among donors, recipients and the Secretariat through interactive dialogue and consultations. The Group has worked on the principle of consensus which led to effective implementation of its activities in a timely manner. The Vienna spirit has amply prevailed during the consultations and dialogue throughout the year which gave added impetus to the Groups' endeavours. The aforesaid activities were strongly backed by a total of 45 meetings (Friends of Chair, Task Force and Plenary) on various issues tackled by the Group during the year 2004.

CTBTO MATTERS

The members of the Group of 77 and China consider the Comprehensive Nuclear-Test-Ban Treaty (CTBT) important because it will provide a total ban on nuclear weapon test explosions in any environment and constrain the development and qualitative improvement of existing nuclear weapons thus ending the development of new advanced nuclear weapons.

The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO PrepCom) was established on 19 November 1996 to prepare for the Treaty's entry into force (EIF). The CTBTO PrepCom consists of a plenary body composed of all the States Signatories (also known as the Preparatory Commission) and the Provisional Technical Secretariat (PTS).

Since the Group of 77 and China attach great importance to the total ban on nuclear testing, it has supported the activities of the PTS and actively participated in the meetings of the Preparatory Commission and its subsidiary bodies.

The Group of 77 and China actively raised, pursued and supported the following positions:

1. Urged Working Group B (WGB) to adjust the pace of its work to the principles of the Group of 77 and China on budgetary matters; asking the PTS to refrain from overall programmatic increases in the budget for 2005.
2. Closely followed the restructuring activities of the PTS and raised a detailed position on the issue of restructuring. This included support for the mandate of the PrepCom, maintaining the balance between the political and technical tasks of the PTS, and fair geographical representation on the External Review Team.
3. That the operation of IMS stations before the EIF of the Treaty is provisional in nature. As such, IMS station activity is only for the purpose of evaluating the performance and data quality of IMS stations, and the proposed system-wide performance test (SPT1) only be conducted within a limited timeframe.
4. Welcomed the establishment of joint theme task of NDC (National Data Centers) within the framework of Working Group B, and asked the PTS to play a more active role in promoting the NDCs of developing countries especially in the context of providing hardware, software, and more training courses for NDCs.
5. Supported a balanced approach dealing with all elements of the verification system including the IMS, IDC, GCI and OSI, and encouraged the active participation of all State Signatories in the OSI.
6. Raised the point of adopting a Confidentiality Policy for the PTS as a real and urgent need, and asked WGB to devote more time to this issue.
7. That human resource issues in the PTS should continue being created according to the existing staff rules and regulations; the PTS' 7-year service limit and the administrative directive on recruitment, appointment, re-appointment and tenure, and Administrative Directive No. 20 (Rev.2).
8. Notwithstanding the CTBTO PrepCom Executive Secretary's prerogative under Administrative Directive No. 20 (Rev.2), the Group of 77 and China requested that the PTS take due care in ensuring that current and future staff contracts duly meet the ruling of the International Labour Organization Administrative Tribunal (ILOAT).
9. On the modalities of tenure for the appointment of the CTBTO PrepCom Executive Secretary, the Group of 77 and China held that the fulfilment of financial obligations of a State Signatory not be linked with the selection of the CTBTO PrepCom Executive Secretary because this has no mention in the CTBT and the Rules of Procedure of the CTBTO PrepCom and it would deprive State Signatories of more modest means

of their inherent right to propose candidates.

10. The convening of an Article XIV Conference sometime in 2005.

On CTBTO matters 30 meetings were held during the year 2004 (including Plenary, Task Force and Working Group Meetings).

UNITED NATIONS OFFICE IN VIENNA (UNOV) MATTERS

In 2004, members of the G-77 and China have continued to coordinate and harmonize their positions on the following UNOV matters:

I. Ad Hoc Committee for the Elaboration of Transnational Organized Crime (TOC) Convention

The TOC Convention entered into force on 29 September 2003, while two of its three protocols, namely the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children entered into force on 25 December 2003; and the Protocol against the Smuggling of Migrants by Land, Sea and Air entered into force on 28 January 2004. Pursuant to resolution 55/25 of 15 November 2000, with which the TOC Convention was adopted the Ad Hoc Committee that negotiated the Convention held its thirteenth and final session in Vienna from 2 to 6 February 2004 to prepare a draft text rules of procedure for the Conference of the Parties (COP) as described in article 32 of the TOC Convention.

The TOC Convention and resolution 55/25 guided the approach of the G-77 and China to the negotiations of the Rule of Procedure. The Group maintained that the Ad Hoc Committee should only be concerned with providing the procedural framework for the COP to operate and that the rules should be entirely compatible with the provisions and phraseology set forth in the Convention. The text of the final draft rules of procedure that was adopted at the end of the session reflected most of the views and positions of the G-77 and China.

II. Commission on Narcotic Drugs (CND)

On 16 January 2004, the first intersessional meeting of the CND took place, while the 47th session is scheduled for 15-19 March 2004. At the 47th session, the Group:

- i) expressed concern at the abuse of amphetamine-type-stimulants (ATS) is rapidly spreading, regardless of nationality, age, gender or income with attendant health problems and hazards and call on Member States to urgently develop their supply reduction programmes for ATS, to complement and ensure the effectiveness of demand reduction initiatives;
- ii) also called upon Member States to strengthen their mechanisms for control of precursor chemicals, in particular the prior notification of export mechanism and to share relevant information in order to prevent their diversion into illicit market;
- iii) expressed concern about the drug liberalization policies of some Member States in breach of the three Narcotic Conventions, which could promote drug abuse and fuel supply and trafficking of illicit drugs and urged all States to adhere strictly to the provisions of the three conventions;
- iv) expressed the hope that the UNODC will give priority attention to addressing risk-taking behavior resulting from drug abuse within the context of the Guiding Principles of Drug Demand Reduction (GA resolution S-20/3 annex) and in particular, the Declaration of Commitment on HIV/AIDS (GA resolution S-26/2 annex), which calls for the provision of a wide range of prevention programmes aimed at reducing risk-taking behavior;
- v) welcomed the report of the Cannabis Survey conducted by Morocco in cooperation with UNODC in 2003 and recommend to the UNODC to conduct a global survey of cannabis, and support the African Group draft resolution on the control of cultivation and trafficking of Cannabis in Africa; and
- vi) re-affirmed its conviction that the fight against demand and supply of drugs requires a combination of preventive and enforcement measures and a need for cooperation in tackling the problems of States most

affected by transit of drugs; reiterate its call upon international organizations and developed countries, in the spirit and principle of shared responsibility, to provide new and additional financial resources and technical assistance, including alternative development programmes and preventive alternative development projects, to drug producing countries and transit countries in their efforts in fighting the drug problem.

III. Commission on Crime Prevention and Criminal Justice

The Crime Commission held its 13th session from 11 to 20 May 2004. At the session, the Group:

- i) stressed the imperative for International cooperation in all aspects of criminal justice, from prevention to prosecution and adjudication of criminal acts and called for international cooperation in extradition and mutual legal assistance, which are essential to the maintenance and the strengthening of the rule of law.
- ii) commended the useful work of the UNODC, which plays a vital role in providing to Member States technical cooperation, advisory services and other forms of assistance in the field of crime prevention and criminal justice, including in the key areas of prevention and control of transnational organized crime, corruption and terrorism and expressed the hope that the recent consolidation of drug and crime programmes at the UNODC would further enhance its work and bring about cost-effectiveness in service delivery.
- iii) expressed its concern about the lack of follow up to the Action Plans for the implementation of the Vienna Declaration and expressed the hope that the follow up of the Action Plans for the implementation of the Vienna Declaration would be a separate agenda item in the future session of the Commission.
- iv) welcomes the entry into force of the TOC Convention and two of its protocols, which made it possible for the first Conference of the Parties to the Convention to be convened in June 2004, as well as the signing of the Convention against Corruption in Merida, Mexico, and underscored the need for the speedy entry into force of this instrument as well as initiation of the follow-up mechanism.
- v) called for the strengthening of UNODC activities under the global programme against money laundering stressed the need to further develop the universal regime against money laundering, under the aegis of the United Nations.
- vi) urged the Terrorism Prevention branch of the UNODC to continue to provide all necessary assistance and provision of expertise needed to strengthen the rule of law and to build national capacities to implement the Conventions and Protocols relevant to terrorism.
- vii) expressed its gratitude to the Government of Thailand for the arrangements being put in place for the Eleventh United Nations Congress on Crime Prevention and Criminal Justice and for regularly briefing members of the Commission on these arrangements; expressed similar appreciation to the UNODC for the efficient manner it had arranged the regional preparatory meetings to examine the substantive items on the agenda and workshop topics of the Eleventh Congress.

The Commission is only thirteen years old but it has achieved a lot during this period. The efforts of the Commission had led to the adoption of the TOC Convention and its three protocols and the UN Convention against Corruption. The Commission is entering a decisive phase of its existence, and the members would have to redefine its role, since a considerable part of its functions are about to be taken up by the COP to the Conventions it had produced. The Group will need to be proactive and make a significant impact in redefining and refocusing the Commission.

IV. Conference of the Parties (COP) to the TOC Convention and its Protocols

The first session of the COP to the TOC Convention took place on 28 June to 9 July 2004. The Group:

- i) recalled the commitments undertaken during the negotiations of the Convention and its protocols, to provide technical assistance to the developing countries for the implementation of the Convention and its protocols and expressed the hope that member States, especially development partners, would not forget this commitment.
- ii) proposed the setting up of an "open - ended working group" to elaborate a study on the financing of the activities of the COP pursuant to articles 29-31 of the Convention.
- iii) was of the view that the mechanisms for facilitating information exchange and dissemination among

parties should be situated within the Secretariat, whereby information on successful best practices on patterns and trends on transnational organized crime for combating it would be disseminated or made available.

iv) expressed the view that the mechanisms to review periodically the implementation of the Convention and its Protocols in force, including reporting requirements of the States Parties, must be linked to technical assistance projects aimed at better implementation of the Convention by State parties. The follow-up monitoring and evaluation of the technical assistance projects would in effect be the review of the implementation of the Convention.

v) emphasized the need for the COP to clearly define its relationship and streamline its work with the Commission on Crime Prevention and Criminal Justice, so as to avoid duplication and ensure proper synthesis.

On UNOV matters 32 meetings were held during the year 2004 (including Plenary, Task Force and Working Group Meetings).