



VIENNA CHAPTER

DETAILED REPORT OF ACTIVITIES OF THE G-77 VIENNA CHAPTER DURING 2009 -
CHAIRMANSHIP OF HIS EXCELLENCY AMBASSADOR EUGENIO MARÍA CURIA, PR OF
ARGENTINA

Meetings of the G77 Vienna Chapter during 2009:

Total of 170 - 41 on UNIDO, 66 on IAEA, 33 on UNODC and 30 on CTBTO matters

UNIDO matters:

Task Force Coordination: Ms. Supa Tangkittikhun, Minister Counsellor, Permanent Mission of Thailand to UNIDO

The Group held 41 meetings during 2009.

The Group of 77 continues to focus on the three inter-related thematic priorities of UNIDO, which are - poverty reduction through productive activities, trade capacity-building and energy and environment.

Taking into account the importance of sustainable development, special attention was devoted during 2009 to energy and environment-related issues, to which the Group has actively supported during the three major conferences organized by UNIDO during 2009.

The Vienna Energy Conference in June 2009 was designed to provide a solid framework that would show the way towards a low-carbon global 'green economy' powered by 'green industry'.

The International Conference on Green Industry in Asia, which took place in Manila in September 2009 focused on the need to increase efficiency of production in order to advance the economic and trade competitiveness of industries in the region by effective utilization of materials, energy and water through continuous application of cleaner production, fostering innovation and development and transfer of environmentally sound technologies.

The Global Renewable Energy Forum in León, Mexico in October 2009 stressed the need to address energy poverty in the developing world by promoting renewable energy technologies to increase the competitiveness of industries and the viability of enterprises, particularly in rural areas.

The Industrial Development Board in June 2009 approved the Group's decision on the United Nations system-wide coherence: UNIDO's role (IDB.36/Dec.13), where the Director-General of UNIDO was encouraged to continue to participate actively in the ongoing discussions on United Nations system-wide coherence. Furthermore, the decision stressed the essential contribution of industrial development in achieving the Millennium Development Goals and emphasized the importance of the process initiated by UNIDO for clearly defining the targets and indicators that capture the contribution of productive sectors in developing countries, in order to guide governments in their economic policymaking and priority setting.

The Group has supported the re-election of the Director-General of UNIDO, Dr. Kandeh Yumkella for another mandate of four years.

As a follow-up to last November's LDCs' Ministerial Conference in Siem Reap, Cambodia, the Group participated in the LDCs' Ministerial Conference, held in Vienna from 3-4 December 2009. The theme of

this LDC Conference was "Impact of the Global Crisis on LDCs Productive Capacities and Trade Prospects: Threats and Opportunities". This Conference was an opportunity for concentrating on the impact of the global economic crisis in LDCs and to reach a consensus with key partners on the way ahead both in terms of policy recommendations for LDCs, as well as UNIDO's role in following up on an agreed plan of action.

This high-level Conference was followed by the bi-annual General Conference of UNIDO. The 13th session was held from 7-11 December 2009. High-level side events were organized, namely the Industrial Development Forum (Part I) on Global Economic Slowdown: the Impact on Manufacturing Forum, the Forum (Part II) on Global Economic Recovery: Seizing Opportunities for Greening Industries. Furthermore five round tables from each region took place. The African round table focused on: Towards Sustainable Bio-fuels Industries in Africa, the Asian round table on: Is Green Industry the Next Engine of Growth for Asia and the Pacific? The round table of the European and NIS region dealt with Sustainability Standards: Hurdles or Opportunities? The focus on the round table of the Arab region was: Investing in and Financing Green Business and the Latin American and the Caribbean round table was about: Promoting Renewable Energy Industry in Latin America and the Caribbean.

The Group actively participated in finalizing the General Conference decisions and resolutions as follows:
GC.13/Dec. 15, Unutilized Balances of Appropriations
GC.13/Res.1, Financial Regulations
GC.13/Res.2, Regional Programme for Latin America and the Caribbean
GC.13/Res.5, Vienna Ministerial Declaration and Plan of Action of the LDCs
GC.13/Res.6, The Crucial Role of the Productive Sectors in Supporting the Achievement of the Millennium Development Goals
GC.13/Res.7, Cooperation Agreement with the United Nations Development Programme
GC.13/Res.8, UNIDO Activities in the field of Energy and Environment

IAEA matters:

Task Force Coordination: Mr.Bassem Hassan, Second Secretary, Permanent Mission of Egypt to the United Nations and International Organizations in Vienna Introduction

The G77 and China held a total of 66 meetings on IAEA matters throughout 2009. These meetings were held at the levels of Friends of the Chair, Task Force and Plenary. Generally, the meetings aimed, at a first stage, at identifying the issues on the agenda of the Agency for 2009 that were of particular interest or concern for developing countries, and about which there were a common position within the Group. Then, the meetings aimed at discussing the possible alternatives of action available and, when appropriate, at drafting and adopting statements, letters, and speaking notes to be delivered or used by the Chair of the Group during the meetings of the Board or other consultations.

A total of 13 statements on several agenda items were delivered on behalf of the G-77 and China during the meetings of the Board of Governors and its subsidiary Committees in addition to the meetings of the Working Group on the Future of the Agency and the Working Group on the Budget.

The Group also held, at the level of Friends of the Chair of the Task Force, some informal meetings in preparation for the General Conference, to work on the resolutions or resolutions' sections traditionally introduced by the Group.

The Group participated, at all levels, in consultation meetings called by the Chair of the Board or the Co-Chairs, in briefings organized by the Secretariat, as well as in consultation meetings called by the Group with Secretariat staff, aiming at facilitating consensus and clarifying specific points.

The Group also participated, at all levels, in consultation meetings with other Groups, aiming at facilitating consensus around the targets, drafts of reports and General Conference resolutions.

As the transfer of nuclear technology for peaceful uses represents the highest priority for Members of the Group, the strengthening of the technical cooperation activities of the Agency as well as a better balance between all statutory activities remained the basic principles guiding the work of the G-77 and China in the context of the IAEA.

The Group remained focused on matters of interest to developing countries in the context of the IAEA in all areas of its work, especially issues related to Technical Cooperation and restoring the missing balance among the three pillars of the Agency's work.

Furthermore, and apart from the regular review of the documents prepared by the Secretariat and the drafting of GC resolutions, the Group has actively engaged in the negotiation of the Budget for the biennium 2010-2011, the consultations on the proposals to establish multilateral mechanisms on the assurance of supply of nuclear fuel, the approval of the Agency's Nuclear Security Plan for 2010-2013, the discussions of the Working Group on the Future of the Agency, and the maintenance of the FAO/IAEA Joint Division.

The 53rd Session of the IAEA General Conference

The Group participated actively in the negotiations at the Committee of the Whole. The Group introduced the resolution on Strengthening the Technical Cooperation Activities of the Agency, as well as the General Part, SIT, AU-PATTEC, and Potable Water sections of the resolution on Nuclear Applications.

The Group participated intensively in the negotiations around the TC resolution, which resulted in a well balanced text. Among other important advances, the Group continued to successfully maintain the traditional consensus on this resolution during the 53rd Session of the IAEA General Conference. It is worth mentioning that the resolution this year has contained some substantive modifications to accommodate certain references to the specific needs of LDCs.

The Agency' Budget for 2010-2011

The Budget negotiations witnessed remarkable controversy due to major differences in the objectives and priorities of developing Member States on the one hand and most of the major contributors members of the Geneva Group on the other. No consensus had been reached at the regular Board meeting of June. The G-77 and China participated actively in the negotiations conducted by the Vice Chair and managed to achieve most of its goals and demands in this regard. The Group continues to uphold its positions in the context of the ongoing sessions of the Working Group on Financing the Agency's Activities. The core principles are to agree on renegotiating the shielding mechanism and the financing of safeguards, as well as establishing a linkage between the increases of the regular budget on the one hand and the TCF targets on the other.

The Working Group on the Future of the Agency

The Group participated actively in the work of this Working Group, which represented an excellent opportunity for Member States to discuss matters of principle that go beyond the day-today business of the IAEA and present creative and innovative proposals on how to enhance the efficiency of the Agency in all areas of its work. The sessions of this Working Group provided an excellent opportunity to review and discuss all areas of the Agency's work and to present innovative proposals on how to enhance them.

In its statements, the Group highlighted many of its principled positions regarding all areas of the work of the Agency and proposed some ideas to examine the ways in which the activities related to Technical Cooperation, Nuclear Security, and Safeguards are being financed and implemented.

The Agency's Nuclear Security Plan 2010-2013

The Group engaged actively in the formulation of the Agency's Nuclear Security Plan for the period 2010-2013, and many of the amendments proposed by the Group have been taken into account.

Assurance of Supply of Nuclear Fuel

The Group has encountered some controversial proposals pertaining to the establishment of multilateral mechanisms on the assurance of supply of nuclear fuel. The Group raised a number of political, legal, technical, and economic questions and concerns pertaining to the proposals put forward in this regard and made it clear that it will not be in a position to endorse any of these proposals unless the concerns are properly addressed.

Specific proposals have been presented to the Board in June and due to the opposition expressed by the Group, no decision was taken at that stage. However, one specific proposal has been adopted by the Board in its November session by a divisive vote. The Group has always argued that the General Conference should play a role in endorsing these proposals.

TACC:

The Group has raised many questions and concerns regarding one Interregional Technical Cooperation project on the introduction of the Results Based Management Approach throughout the project cycle. A special working group has been established to review that controversial project.

The Maintenance of the IAEA/FAO Joint Division

The Group continued to support the position that the IAEA Secretariat should work with the FAO Secretariat to retain and reinforce the current partnership and cooperation arrangements between the IAEA and FAO. The Vienna Chapter worked in coordination with the Rome Chapter of the G-77 with the same aim. These efforts resulted in the cancellation of the proposal to terminate the Joint Division.

UNODC matters:

Task Force Coordination: Mr. Ariel Gonzalez, Counsellor, Permanent Mission of Argentina to the United Nations and International Organizations in Vienna

A total of 33 G77 meetings on UNODC matters took place during 2009.

1. 52nd session of the Commission on Narcotics Drugs (CND), 11 - 20 March 2009, Vienna

The Group of 77 and China had an active role in endorsing and promoting many of the resolutions adopted by the Commission at the initiative of one or more of its Members, including, most notably, resolutions on promoting international cooperation in addressing the involvement of women and girls in drug trafficking, strengthening regional cooperation, in particular in Africa, and exploring all aspects of cannabis seeds for illicit purposes

During the High-Level Segment which preceded the ordinary works of the Commission (11-12 March), the Group concluded the intense efforts conducted throughout 2008 by asserting its main interests as regards the final text of the Declaration and Plan of Action adopted by the Segment on the world drug problem. Longstanding tenets of the Group, such as the principle of a balanced and shared responsibility in dealing with the drug problem, the important role of technical assistance and awareness-raising, and the respect of the relevant international conventions, were adequately reflected in both documents.

The Group continued to actively promote its position that resolutions concerning the core mandates of the

Commission should be financed through the regular budget. Notwithstanding this, on a longer term, the Group promoted the creation of a specific structure to deal with administrative and financial issues (see item 3)

2. 18th Session of the Commission on Crime Prevention & Criminal Justice (CCPCJ), 16-24 April 2009, Vienna

The Group of 77 and China had an active role in endorsing and promoting many of the resolutions adopted by the Commission at the initiative of one or more of its Members, including, most notably, resolutions on the treatment of women in detention or in custodial or non-custodial settings, and supporting national and international efforts for child justice reform, in particular through improved coordination in technical assistance.

Regarding administrative and financial issues, the Group echoed the approach taken at the CND.

3. Intergovernmental Working Group on Governance and Finance

Thanks to intense efforts of the Group of 77 and China in the framework of both the CND and the CCPCJ, a specific forum was finally set up to deal with two interrelated longstanding concerns of the Group: on the one hand, the critical financial situation of the UNODC, derived from a highly fragmented and unstable budget, in which more than three quarters are constituted from earmarked voluntary contributions - funds tied to specific projects, and on the other hand, an inadequate governance derived from the lack of effective ownership by Member States.

This result was achieved through the creation, by mirror resolutions of the 52^o session of the CND and the 18^o session of the CCPCJ, subsequently endorsed by the ECOSOC, of an Intergovernmental open-ended Working Group on Governance and Finance, which will submit recommendations to the two Commissions.

Co-Chaired by the Permanent Representative of Cuba and a Member of the Permanent Mission of Spain, the Working Group started its meetings at the end of last September, in a constructive and results-driven spirit.

4. Preparation of the third session of the Conference of States Parties (COSP) to the United Nations Convention against Corruption (UNCAC), Doha (Qatar), 9 to 13 November 2009

The Group of 77 and China continued to promote its interests as regards the main issue addressed at Conference - that is, the setting up of a mechanism for the review of the implementation of the Convention. The main concerns expressed by the Members of the Group during the negotiations were reflected in the terms of reference for the mechanism finally approved by the Conference.

In particular, the resolution adopting the terms of reference recognized the position reiterated by the Group in the sense that, for its adequate and stable functioning, all efforts have to be made to ensure that the mechanism is substantively financed through the regular budget of the UN. The action led to this regard by the Group, in coordination with the its New York Chapter, contributed critically to the recent decision by the 5th Committee of the UN General Assembly to approve a reinforcement of the staff of the Secretariat's Convention to assist in the implementation of the mechanism.

The Group has ensured that other issues, related to the implementation of the Convention, namely, asset recovery and technical assistance, were effectively addressed by the Conference.

5. Other UNODC - related matters

The Group of 77 and China played a major role in the definition of the thematic debate for the 53^o session of the CND (March 2010), which will be dedicated to a comprehensive discussion on awareness-raising of the world drug problem.

The efforts of the Group were also instrumental in the decision by the last session of the 18th CCPCJ to have as its thematic debate for its next session (May 2010) the issue of the illicit trafficking of cultural property.

Finally, the Group actively promoted activities regarding the trafficking in persons, in particular as an emergent form of transnational organized crime, contributing most notably to the establishment of a specific working group on this matter by the Conference of State Parties to the UN Convention against Transnational Organized Crime.

CTBTO matters:

Task Force Coordinator: Ms. Talent Molaba, Minister Counsellor, Permanent Mission of South Africa to the United Nations and International Organizations in Vienna.

The G77 held a total of 30 meetings during the course of 2009 (including Plenary, Task Force and Friends of the Chair meetings). The Group of 77 and China actively raised, pursued and supported positions in the context of the meetings of the Policy-Making Organs of the CTBTO Preparatory Commission, with particular emphasis on the following issues:

Universalisation of the Treaty

Since the 2008 November Session of the PrepCom, further progress had been made towards bringing the CTBT to its much-desired universal status, with the total of 182 States Signatories and 151 ratifying States by November 2009.

IFE08 review process

Special Session of the Working Group B, May 2009 devoted to the evaluation of the review process of the integrated field exercise IFE08 held in Kazakhstan in 2008. Based on the documentation provided by the PTS, the Group expressed the view that these documents would assist State Signatories in evaluating, identifying and prioritizing the lessons learned from the IFE08 for further development of the on-site inspection (OSI) regime. Furthermore, the Group reiterated that any possible set of recommendations to be derived from the experience attained in IFE08 should be structured in order of priority, taking into account cost and sustainability considerations, as well as the prospects for entry into force of the Treaty.

Working Group A: Human Resources

Regarding staffing of the PTS, taking into consideration the required geographical and gender balance, the Group emphasized that the PTS, instead of exploring all possible avenues to ensure the required level of qualified human resources within the Organisation, it had reverted back to the funding of consultants which in the view of the Group posed a challenge to containing staff cost increases and did not address the shortage of qualified human resources in the long term. The Group also recalled that it was open to consider alternatives that would enable the PTS to have greater flexibility to address its staff needs, as long as such alternatives included provisions to ensure transparency, in particular as regards the selection criteria and geographical distribution. The final draft 2010 programme and budget proposals During discussions of the final draft 2010 programme and budget proposals, the Group reiterated its principled views in particular that any budget proposal would need to take into consideration 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
- The financial burden on States Signatories.

The Group recalled that the 32nd PrepCom has approved the 15 million Supplementary Appropriation for the 2009 Budget and, as a consequence, the 2010 Budget could maintain a zero real growth. However, the

Group emphasized that such a practice should not be regarded as a precedent for future programme and budgets and reaffirmed that in the next budgetary cycle, the PTS should continue to explore any possible reductions, savings and efficiency measures to reach a zero real growth budget.

Post Certification Activities (PCA) Costs

Pertaining to the mechanism to manage the PCA cost, the Group was still concerned that some of the proposed measures aimed at lowering the costs for PCAs could in fact lead to an increase in these costs. The Group in principle welcomed the proposed standardization of PCA contracts, but recalled that the standardization of PCA contracts should not prevent the PTS and station operators from addressing specific factors that might influence their respective operation.

The Participation of Technical Experts from Developing States Signatories in Technical Meetings of the Preparatory Commission

The Group welcomed that in 2009 the Pilot Project facilitated the participation of five (5) more experts from developing countries in the technical meetings of the Preparatory Commission, thus bringing the total number of technical experts from developing countries participating to nine (9).

Installation of IMS Stations

The Group reiterated its concerns on the imbalance in the attention given to the three main dimensions of the verification system, namely the IMS, the IDC and OSI, due to an excessive focus on station-building.

The Group emphasized that as a consequence of an excessive focus on station building, it had become clear that the capabilities of the IDC had been severely outpaced by the enormous increases in the volume of data generated by an ever-growing IMS. At the same time, the Group recalled the need to avoid the medium and long-term budgetary implications of increasing the number of installed and certified stations without due regard to concrete prospects for entry into force of the Treaty.

Joint WGA and WGB three-year work plan

The Group took note of the Chairpersons' paper outlining their views on the work plan for WGA and WGB over the next three years. The Group noted, in particular, that the mandate of the PrepCom and the requirements for Entry Into Force were already well defined in the Treaty, in its Protocol and in the Resolution that established the PrepCom.

However, the Group noted that the revised document contained an extensive list of tasks which seemed to cover the near entirety of the open issues that should be addressed prior to entry into force of the Treaty. The Group believed that the document should be revised with a view to setting a more realistic work plan, by focusing on issues of higher priority and leaving other matters for consideration at a later stage, especially those pertaining to post-entry into force requirements and activities. In this context, the Group expressed concern that, even though the document was only supposed to be a work plan, in some cases it already spelled out the substantive decisions that could be taken in regard to some of the issues.

Schedule of Meetings of the Policy-Making Organs

Regarding the calendar of Sessions of the decision making bodies for 2010, the Group recalled the agreement reached in the Working Group B concerning the number of its regular Sessions programmed for 2010, and in this respect, believed that experience in the last two years had shown that through further streamlining, the annual programme of work of WGB could be carried out in two Sessions per year, without the need for additional Sessions. The Group noted the two scheduled PrepCom meetings in 2010 and encouraged the PTS to consider the necessity of holding two PrepComs per year to avoid repetition of discussion of agenda items that could be streamlined into one PrepCom.

Palestine for observer status with the Commission

Finally, Mr. Chairman, as regards the request from Palestine for observer status with the Commission, the Group regrets that after four years, and eight Sessions of the PrepCom, the Commission has still not reached a positive decision on this issue, only because of the objection of one State Signatory. Bearing in mind the fact that Palestine has been accorded observer status in other United Nations Organizations, the Group is of the view that its request to receive this recognition at the Preparatory Commission should not be treated any differently. The Group therefore reiterates its strong support for the legitimate request by Palestine to be granted observer status within the Preparatory Commission for the CTBTO, in a manner consistent with the goal of achieving the objectives and the universality of the Treaty.

Amendment of rule 5 of the Preparatory Commission

Pertaining to the proposal by the Group to amend rule 5 (Observers) of the PrepCom, the Group strongly urged all States Signatories to accept its proposal at the November 2009 Session of the PrepCom. The issue to be pursued at the next PrepCom.