

STATEMENT BY AMBASSADOR DAUDI N. MWAKAWAGO, PERMANENT REPRESENTATIVE OF THE UNITED REPUBLIC OF TANZANIA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, ON BEHALF OF THE GROUP OF 77 AND CHINA, DURING THE GENERAL DEBATE OF THE SECOND COMMITTEE OF THE U.N. GENERAL ASSEMBLY

New York, 13 October 1997

Mr. Chairman,

I am addressing you and the Second Committee on behalf of the Group of 77 and China. At the outset, permit me, to congratulate you on your unanimous election as Chairman of the Second Committee of the General Assembly. Your election manifests the total confidence of the member states of the United Nations in your ability and experience in steering and guiding the deliberations of this Committee towards its most successful outcome.

Also, I congratulate the Vice-Chairmen and the Rapporteur for their well deserved election to assist you in carrying out the immense tasks before this Committee during this crucial Session.

We wish to assure you and your Bureau that the Group of 77 and China is fully and objectively committed to work and cooperate with you in the deliberations of the Second Committee.

Mr. Chairman,

Over the last two years, the global economy has continued to grow slowly. Output growth improved slightly, reaching 2.8% in 1996 compared to 2.4% in 1995. It is projected that this slow growth will continue for the remainder of 1997. It is particularly noteworthy that slowdown in growth of world trade in 1996 was largely due to the weakening of commodity markets. Income gaps between the developed and developing countries have continued to widen. While in 1965, the average per capita income of the G7 countries was 20 times that of the world's poorest seven countries, by 1995 it was 39 times as much. For instance, in Africa, average per capita income is now only 7 per cent of that of developed countries.

Indeed, we note that some improvement in economic growth has been registered in developing countries. This is largely accounted for by efforts of these countries through policy actions and initiatives they have undertaken in the macroeconomic framework and structural adjustment. This notwithstanding increasing vulnerability of developing countries to unfavourable external economic environment continue to dampen their prospects for sustained economic growth and development.

In a world economy, which is increasingly being shaped by the processes of globalization and liberalization, the Least Developed Countries (LDCs) are being further marginalized from the mainstream of the world economy. The LDCs have not been able to attract any significant amount of foreign investment, their debt burden has increased while external assistance has diminished.

While we welcome some positive trends in the growth of the world economy, we note with great concern that poverty is deepening in developing countries; the gap between the rich and the poor is growing among and within countries; and that financial and capital flows to developing countries continues to be unpredictable. Indeed, these uneven and adverse trends require renewed partnership and the fulfillment of international cooperation commitments in order for developing to effectively benefit from the twin processes of globalization and liberalization.

Mr. Chairman,

During 1996-97, the international community has witnessed some developments in the efforts of member states of the United Nations to strengthen and dynamize the global partnership for development through intergovernmental processes.

The conclusion of the negotiations on the Agenda for Development on 20 June 1997 was a very important positive development in the evolution of international development cooperation. The Agenda provides the most comprehensive and fundamental framework on principles, objectives, policy actions and institutional arrangements on international cooperation for development in the medium and long-term. However, for this Agenda to be meaningful and credible, it is imperative that member states commit themselves to fully and effectively implement and operationalize it in the most expeditious manner. Indeed, to do this requires maximum political will of the member states.

The Special Session of the United Nations General Assembly in late June 1997 provided an opportunity to review and appraise the implementation of the decisions, recommendations and commitments made at the first United Nations Conference on Environment and Development in Rio de Janeiro five years ago. In the main, we note that the review of the Conference showed that there has been little progress in achieving the main goals set at the Earth Summit primarily due to the failure by the developed countries to fulfill their obligations with regard to the provision of new and additional financial resources and the transfer of technology.

The two-track initiative of the Secretary-General of the United Nations to strengthen and revitalize the functioning and operations of the Organization is an encouraging development which we welcome. We particularly note that the reform of the United Nations is a process which has been considered in the context of the Open-Ended High Level Working Group on the Strengthening of the United Nations system, resolution 50/227 and will now continue within the context of the report of the Secretary-General entitled "Renewing the United Nations: A Programme for Reform".

Mr. Chairman,

The agenda before your Committee is engaging. We are of the view that in order to expedite your work you need to dwell on the areas which are particularly critical to the revitalization of international cooperation for development.

The most logical premise of your deliberations need to be the objectives and principles of international development cooperation. The agreed Agenda for Development has established the overall framework for the definition of development, objectives and priorities of international development cooperation, institutional arrangements and follow-up mechanisms. The Agenda for Development provides the guideline for evolving the most desirable and effective global partnership in development cooperation.

The United Nations conferences and summits held since 1990 have greatly contributed to defining the vision of the international community in international cooperation for development. These fora include the World Summit for Children, the second United Nations Conference of the Least Developed Countries, the United Nations Conference on Environment and Development, the World Conference on Human Rights, the Global Conference on the Sustainable Development of Small Island Developing States, the World Conference on Natural Disaster Reduction, the International Conference on Population and Development, the World Summit for Social Development, the Fourth World Conference on Women, the United Nations Conference on Human Settlements, the World Food Summit and the ninth session of United Nations Conference on Trade and Development. That vision is embodied in the commitments undertaken at these fora. What is now required is to honour those commitments so as to make that vision a reality of policies and programmes.

Mr. Chairman,

We speak of the need to honour the commitments because the performance of developed countries in channeling financial resources to developing countries has been extremely disquieting. The share of total ODA in the Gross National Product of Development Assistance Committee (DAC) countries dropped sharply from 0.33% in 1992 to 0.25% in 1996, the lowest ratio recorded since the UN adopted in 1970 the overall target of 0.7% of donor GNP. The share of aid to the LDCs in the combined GNP of the DAC donor countries has dropped from 0.09% in 1990 to 0.06% in 1995 as compared to the agreed target of 0.15%-0.2% by 2000.

It is obvious that in order to effectively and meaningfully accelerate the development process of developing countries, there is an imperative need to reverse these declining trends in the ODA flows. In particular, developed countries should comply with the internationally agreed targets of ODA and commitments for new and additional resources.

External indebtedness has emerged as one of the major obstacles to the development efforts of developing countries. The development endeavours of developing countries, in particular towards the provision of social and economic services, including education, health and housing are severely hampered by the obligation to set aside a substantial portion of national budgets in the order of more than 30% for servicing external debt. This situation is further exacerbated by the negative effect of structural adjustment process, flow and financial resources from developing to developed countries in form of capital flight, unpredictability of the international financial system, and conditionalities and cross-conditionalities by the international financial institutions including denying some developing countries access to their resources on political grounds, decline in ODA, deteriorating terms of trade of developing countries and sharp falls in commodity prices as well as escalating protectionism in the developed countries.

We note that the various debt relief measures undertaken so far, such as Naples Terms of the Paris Club and the Heavily Indebted Poor Countries (HIPC) initiative by the World Bank and the IMF, have not gone far enough in alleviating the burden of debt and debt servicing of developing countries. Certainly, more needs to be done in terms of debt stock cancellation and forgiveness. Naples Terms need to be enhanced to include debt cancellation. The criteria for eligibility of HIPC initiative should be made more flexible to enable more countries to benefit from these arrangements. As it is now, it is almost a nightmare for a country to meet the conditionalities involved and the time it takes before reaping the first benefits after qualifying. It is like being so near yet so far. What is urgently needed is an effective, equitable, development-oriented and durable solution to the external debt and debt servicing problems of developing countries.

Many developing countries are not able to benefit from the twin processes of liberalization and globalization of the world economy. These processes benefit some countries, mostly developed countries while causing instability and marginalization in developing countries. The LDCs face the greatest risk of further marginalization. Thus, there is a need for measures which should include long-term financial and technical support, transfer of technology, and the improvement of the trade performance of developing countries. It is also necessary to ensure full and effective participation of the developing countries in the international economic decision-making processes.

We welcome the WTO Plan of Action for LDCs which provides a framework for according further market access concessions to LDCs and undertaking actions to improve their supply capacity. In this connection, it is our expectation that the impending High-level Meeting on LDCs later this month will chart an integrated initiative with coordinated and substantially increased technical cooperation in trade and trade-related areas to strengthen their supply capacity of exportable goods and services. We further urge the development partners to contribute generously to the UNCTAD Trust Fund for LDCs which provide start-up costs for the Integrated Country Programmes. In addition, we request the current session of the General Assembly to finalize its decision on the timeframe, venue and the preparatory process of the third UN Conference on the LDCs to undertake a comprehensive assessment of the overall development problematique of the LDCs and to launch a new action programme.

Trade and development possibilities of developing countries can be enhanced only through an equitable, secure, non-discriminatory and predictable multilateral trading system. The trade policy reforms being undertaken by developing countries would be frustrated unless developed countries took positive structural adjustment measures providing larger export possibilities to developing countries. In this connection, developed countries ought to implement commitments undertaken in respect of trade liberalization in the areas of export interest to developing countries such as textiles and agriculture. UNCTAD's role in supporting developing countries in the context of the ongoing and future trade and development negotiations is very crucial and must be enhanced. In addition, the universality of the World Trade Organization (WTO) need to be ensured.

Mr. Chairman,

Comprehensive implementation of Agenda 21 is urgently needed. Political will particularly on the part of developed countries is indispensable for effective implementation of their commitments embodied in Agenda 21 in the area of financial resources. Global Environment Facility (GEF) resources need to be increased and disbursement of its resources should be more flexible in order to enable more countries to benefit from it. Furthermore, the establishment of an independent financial mechanism which benefit from its own resources is imperative for the implementation of the Convention to Combat Desertification and United Nations Environment Programme (UNEP) as the leading global environmental organization must be strengthened.

We are greatly concerned on the persistent critical economic situation in Africa, especially relating to ODA flows, external debt and trade. African countries are critically facing the problems of declining ODA flows, deteriorating prices of their main primary commodities, insufficient foreign investment flows and unbearable external debt burden. We are convinced that if this is not reversed, current trends could considerably worsen the situation, thus endangering the economic and social conditions of the African countries and hampering the prospects of their rehabilitation, recovery, adjustment and development. The United Nations system needs urgently to adopt and implement more concrete and effective measures to support the efforts of African countries in attaining sustainable economic growth and development.

Special attention and support should be accorded to the special problems and needs of the land-locked developing countries, particularly through technical cooperation and financial assistance to enable these countries to participate effectively in a rapidly globalizing world economy and international trade. In this regard, there is an imperative need to support these countries in the development of viable transit infrastructure.

The Barbados Programme of Action is a comprehensive tool for the international community to address serious problems faced by the Small Island Development States (SIDS) in achieving sustainable development. We note with concern the inadequate support of the international community in the implementation of the Programme and thus welcome the decision of the UNGASS to hold a special session preceding the 54th session on an in-depth assessment and appraisal in the implementation of the Programme. Continued support and strengthening of international efforts to assist SIDS in the implementation and follow-up of the programme is necessary if these states are to transmit into sustainable development.

Mr. Chairman,

Often we have emphasized the urgency to promote industrialization as a dynamic instrument for accelerated economic and social development of developing countries, contributing to the eradication of poverty and the creation of productive employment. Favourable international environment is crucial to facilitate successful and effective industrialization process in developing countries. There is therefore a need for enhanced international cooperation to accelerate technology transfer, market access, financial flows and capacity building in support of the efforts of developing countries. In this connection, the independent specialized

agency with a central coordinating role within the United Nations in the field of industrial development, the United Nations Industrial Development Organization, need to be strengthened and supported to exercise fully its mandate.

The operational activities for development of the United Nations system are very important in enhancing the capacity of the developing countries to effectively own their development process. We note with concern that the current constraint of the funds and programmes due to lack of adequate funding will adversely affect the implementation of the priority programmes and projects in developing countries. We urge the development partners to provide adequate and predictable financial resources to these funds and programme.

Mr. Chairman,

We attach great importance to the United Nations as the central forum for dialogue and negotiations on the issues relating to international cooperation for development. A stronger United Nations, in terms of efficiency and effectiveness to its members is imperative. This is why the Group of 77 and China attached serious political importance to the strengthening of the role of the United Nations in promoting international cooperation for economic and social development. To the Group, the prime objective of the reform process must be to strengthen and revitalize the UN's ability to fulfill its role and functions in the development field while giving the General Assembly leadership in order to ensure the fulfillment of the social and economic goals enunciated in the UN Charter. In their meeting of 26 September, this year, the Foreign Ministers of the Group of 77 and China underscored its position on reforms. It was its view that the UN should be strengthened to address development issues and to respond to the development needs of developing countries. The UN must carry out its mandated comprehensive role in economic and social areas. This includes policy analysis, consensus building, policy formulation and coordination, and delivery of technical assistance to developing countries. It is necessary to strengthen the role of the United Nations General Assembly in the area of macro-economic policy formulation and coordination and the hard core economic issues must be restored to the top of the United Nations' agenda.

Reform proposals must aim at giving greater effect to the principles of transparency, pluralism, diversity, and democracy which are unique strengths of the UN. This means ensuring the availability of multiple perspectives on critical socio-economic issues and the strengthening of democratic decision-making processes. It is important to underscore that a primary pre-requisite for enhancing United Nations effectiveness is to have stable, predictable and adequate financing for the United Nations.

Mr. Chairman,

The Group of 77 and China is committed to Economic and Technical Cooperation among Developing Countries (ECDC/TCDC) as an integral and essential part of their efforts to promote economic growth, technological capacities and accelerated development. We call upon the international community to provide the necessary, adequate financial and technical support to enable to operationalize and implement the recommendations in the report on New Directions Strategy for TCDC which emphasized the need to focus on high priority issues of trade and investment, production and employment, poverty eradication, environment and macro-economic management. We welcome and endorse the decisions and recommendations of the tenth session of the High-level Committee on TCDC.

Mr. Chairman,

In conclusion, the Group of 77 and China would like to underline the necessity for the Second Committee to support effective multilateralism and intergovernmental processes in addressing the daunting and pressing development problems of developing countries and evolving a vision for effective international development cooperation as we enter the new millennium. This requires political will and commitment of all of us. We

wish successful deliberations of your Committee on all fundamental and priority issues which will effectively enhance global partnership in international cooperation for development and the development of developing countries.

I thank you.

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