



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. KHALED HUSSEIN ALYEMANY, MINISTER PLENIPOTENTIARY, PERMANENT MISSION OF YEMEN TO THE UNITED NATIONS, AT THE AD HOC OPEN-ENDED WORKING GROUP OF THE GENERAL ASSEMBLY ON THE OUTCOME OF THE UN CONFERENCE ON THE WORLD FINANCIAL AND ECONOMIC CRISIS AND ITS IMPACT ON DEVELOPMENT (New York, 28 July 2010)**

Excellencies,

1- On behalf of the Group of 77 and China, I would like to thank the co-facilitators for their draft progress report on the proceedings of the Ad Hoc Open Ended Working Group of the General Assembly to the follow-up on the Outcome of the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development.

2- At a time when the world economy faces unprecedented challenges, the Working Group has provided a unique forum for policy dialogue on economic and financial matters. It has allowed Member States to exchange views on the evolving international economic scene, present proposals on the impacts of the crisis on development, in all its dimensions, and discuss possible solutions with key actors from international organizations, private sector and academia.

Excellencies,

3- The most acute phase of the economic crisis may well be passing, but the economic and financial crisis is still evolving. Its full impact on the world economy won't be known for years to come, but it is fair to say that developing countries - which were not responsible for causing the crisis in the first place - are suffering a disproportionate impact, particularly in terms of human and social development.

4- The ongoing economic and financial crisis has reversed many important social gains in developing countries and threatens to seriously undermine the achievement of the Millennium Development Goals by 2015.

5- The crisis has demonstrated that even developed countries are not immune to sovereign debt overhang. In order to avoid a new debt crisis from arising also in the developing world, the international community needs to take the necessary pro-active measures. It is clear that we need a comprehensive and durable solution to external debt crises, notably with regards to the establishment of a debt work-out mechanism.

6- Over the last year, the Working Group has more than proven its worth. The proceedings of the Working Group have shown the importance and usefulness of an open, transparent and inclusive multilateral forum for dialogue and for discussing proposals for addressing the crisis, in line with the mandate provided by the decisions of the Conference and the relevant General Assembly resolution. The Member States of the United Nations need a forum in which to discuss the global economic crisis and its impact on development, and to also discuss proposals to address the problems and issues emanating from the crisis.

7- It is the conviction of the G77 and China that the Working Group on the Financial and Economic

Crisis should continue its work. Moreover, the Working Group should be organized in accordance with the need for more focused discussion among the Member States on the issues and actions requiring follow up to the Conference. The categorization of issues and the organization of work around an agreed list of issues and schedule should be undertaken as an initial task of the Working Group in its first session or sessions following the opening of the 65th General Assembly.

8- In this regard, the G77 and China suggests that the Working Group addresses, among other matters contained in the outcome document, the need for concrete actions to strengthen the central role of the United Nations on global economic governance. In particular, the Working Group should consider:

a) The terms of a General Assembly resolution on global economic governance and matters related to the central role of the UN in global economic governance, to be adopted by the GA during its 65th session;

b) The terms of reference of a report to be prepared by the Secretary-General on how to strengthen the central role of the UN on global economic governance.

9- We are glad to see reflected in the recommendations the need to establish time tables for further scaling up of ODA, as well as the need for further and substantial recapitalization of the Multilateral Development Banks to allow them to properly fulfill their mandates.

10- We consider vital the inclusion of the need to reduce the conditionalities to enhance the fiscal and policy space of developing countries to pursue counter-cyclical policies, as well as the importance of reforming the World Bank to enhance the participation, voice and voting power of developing countries, as part of the recommendations of the report.

11- We also consider important the inclusion of the request for a report of the SG on the role of SDRs in the expansion of liquidity, stabilization and reform of the global reserve system and their potential effect, as well of a new general SDR allocation on development.

Excellencies,

12- Mindful of the impacts of the worst financial and economic crises since the Great Depression, and concerned about the of additional negative impacts of the second wave of the crisis, particularly with regards to developing countries, the Group of 77 and China also recommends to hold a Follow-up Conference on the Financial and Economic Crises no later than 2012.

Thank you.