



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. MR. MOURAD BENMEHIDI, PERMANENT REPRESENTATIVE OF ALGERIA TO THE UNITED NATIONS AND CHAIR OF THE GROUP OF 77, AT THE SPECIAL HIGH-LEVEL MEETING OF ECOSOC WITH THE BRETTON WOODS INSTITUTIONS, THE WORLD TRADE ORGANIZATION AND THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT, DURING THE THEMATIC DEBATE ON 'FINANCING OF SUSTAINABLE DEVELOPMENT' (New York, 12 March 2012)**

Mr. Chairman,

I have the honor to deliver this statement on behalf of the Group of 77 and China.

1. The G77 and China believes that this thematic debate on "financing of sustainable development", which intervenes within the context of the convening of the United Nations Conference on Sustainable Development, is timely and should give an impetus to the ongoing consultations on the outcome document. The Group expresses its readiness to interact constructively and substantively in this process in order to give Financing for Development in general, and the financing for sustainable development in particular, the importance it deserves.
2. In this context, the Group believes that the outcome document of this Conference shall achieve the objectives of securing renewed political commitment for sustainable development, assessing the progress to date and the remaining gaps in the implementation of the outcomes of the major summits on sustainable development and addressing new and emerging challenges. The financing of sustainable development constitutes, in this regard, a crucial factor in terms of the implementation of previous commitments contained in the relevant outcomes on sustainable development, in particular the Rio Declaration on Environment and Development, Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Johannesburg Plan of Implementation.
3. The provision of new, additional, stable, predictable financial resources to support implementation activities in developing countries should be addressed as a priority in the ongoing process of the Conference of Rio+20.

Mr. Chairman,

4. The Group reaffirms the need for the fulfillment of donors' commitment to allocate 0.7 per cent of their GNI to developing countries, including the specific target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries in accordance with their commitments, taking into account that the 2010 deadline was not fulfilled by 2010. We also urge developed countries to meet their ODA commitments as agreed in the Istanbul Programme of Action, as well as the commitment of doubling aid to Africa by 2010 as articulated at the Summit of the Group of 8 held in Gleneagles.
5. Greater coherence and coordination among the various funding mechanisms and initiatives related to sustainable development is crucial. The Group calls for the prioritization of sustainable development in the provision of financial resources, technology transfer and capacity building in line with the national development priorities and needs of developing countries.

6. We also call for the urgent and timely fulfillment of financial commitments made by developed countries in the context of the UNFCCC, while reaffirming that financing for climate change should be new and additional, and it should not substitute ODA.

7. The G-77 and China reaffirms the validity of cooperation between North and South as the basis of international cooperation and it underlines the need to reinforce the commitment of the international community on international cooperation needs in line with the development priorities of developing countries. In this regard, the Group further reaffirms the principle of common but differentiated responsibilities as the basis of international cooperation in the area of sustainable development for the fulfillment of previous international commitments and for the implementation of sustainable development objectives.

8. The G77 and China considers that innovative mechanisms of financing can make a positive contribution in assisting developing countries to mobilize additional resources for financing for development on a stable, predictable and voluntary basis. Such financing should be disbursed in accordance with national priorities of developing countries, should neither substitute nor negatively affect the level of traditional sources, and should not unduly burden them.

Mr. Chairman,

9. The G77 and China reiterates once more the concerns of the Group for the negative implications of the economic and financial crisis on development, as well as by its damaging impact on the flow of direct investment, external debt, and international trade. The Group believes that the systemic problems facing the global economy have to be resolved, including through the full accomplishment of the reform of the global financial system and architecture.

10. Indeed, the systemic problems facing the global economy have yet to be resolved. The reform of the global financial architecture is an unfinished business, and all efforts in this area must be intensified. In this regard, the G77 and China stresses again the need for a substantive and comprehensive reform of the international economic and financial system and architecture, including mandates, scope and governance of the Bretton Woods Institutions (BWIs). The reforms must reflect current realities and ensure full and effective participation as well as increased voice of developing countries, including LDCs, in the decision making at the global level in all fields, in particular in the economic field in the governance structure of IFIs and norm-setting process of the BWIs, in order to address the democratic deficit of these institutions. As we have already stated, we believe that the heads and senior leadership of the international financial institution, particularly the Bretton Woods institutions, should be appointed through open, transparent and merit-based selection processes, with due regard to gender equality and geographical and regional representation. In this regard, the G-77 and China believes that the UNGA should launch a process to reform the international financial and monetary system.

11. We underline that debt crises tend to be costly and disruptive and tend to be followed by cuts in public spending, affecting in particular the poor and vulnerable. We recognize the important role on a case by case basis of debt relief, including debt cancellation and debt restructuring. In this regard, we stress the urgent need for the international community to examine options for an effective, equitable, durable, independent and development-oriented debt restructuring and debt resolution mechanism.

12. The Group considers trade to be a vital tool to provide long-term sustainable growth. In order to fully harness the potential of trade, it is important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable

development and employment, particularly for developing countries. In this context, all countries should desist from all protectionist measures, especially those affecting developing countries, including tariff, non-tariff and other barriers to trade, in particular agricultural subsidies, and to rectify any such measures already taken. We call for the fulfillment of all commitments contained in the 2005 Hong-Kong Ministerial Declaration of the World Trade Organization in favor of Least Developed Countries.

Mr. Chairman,

13. In conclusion, the G77 and China reaffirms the central role played by the United Nations as a focal point for the financing for development follow-up process and the need to maintain that role to ensure the continuity and dynamism of the process, while reaffirming the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, the International Monetary Fund and the World Trade Organization, in the follow-up and implementation of the commitments made at Monterrey and Doha.

Thank You.