



STATEMENT BY H.E AMBASSADOR JORGE ARGUELLO, PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, TO THE 85TH MEETING OF THE MINISTERS OF FINANCE OF THE INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON INTERNATIONAL MONETARY AFFAIRS AND DEVELOPMENT (Washington, DC, 14 April 2011)

Mr. Chairman,
Honorable Ministers,
Mr. Managing Director of IMF,
Mr. President of the World Bank,
Excellencies,

At the outset, I would like to thank you -on behalf of the Group of 77 and China- for inviting me to address this important gathering of the G-24.

I would also like to take this opportunity, Mr. Chairman, to acknowledge the important role of the G24 in dealing with the Group's concerns and mandate.

We are fully convinced of the increasing importance and complementarity of our collective efforts, and that the G24 and G77 and China should work closely in order to jointly push for long-awaited and much needed reform of the international financial architecture.

I am privileged and honored to share the views and concerns of the Group of 77 and China on the ongoing global complex financial and economic scenarios.

Our presence here today is part of the process of finding ways and means to take concrete actions to address the development needs of our countries.

The crisis, which arises from regulatory and other institutional failures in the developed countries and in the international economic and financial systems, compels us to start the process for a more substantial and necessary reform of the international financial architecture in order to achieve a fair and more equitable international economic system.

In this crucial moment and following this crisis that not only affected developing countries, it is very important to enhance the coordination between G24 and G77 and China.

In particular, while facing issues related to development assistance, this coordination is vital to counterbalance the long-standing donor-driven architecture heavily influenced by OECD.

It is also important, for example, to ensure that developing countries are protected as the instruments of climate finance are developed under the UNFCCC

The crisis has affected developing countries, not only in economic terms, by the presence of barriers to trade as well as to finance in some of the anti-crisis measures taken by some developed countries, but also on social development, leading to loss of jobs and difficulties of governments to finance social programmes that address poverty or provision of basic amenities which threatens the attainment of the Millennium Development Goals (MDGs).

In this context, the Group of 77 would like to stress the necessity to urgently address the problems presented by the global financial and economic crisis.

Such a crisis should not be used under any circumstances as an excuse to slow down or not fulfill the obligations and commitments of our developed partners towards the developing countries.

Much support is needed to address the external debt issue and apply solutions towards a durable response to the debt problems of developing countries.

We need additional substantial resources including short-term liquidity and long-term development financing and grants in order to achieve their development goals, including in particular those related to health and education.

In that regard, the United Nations system, including the Bretton Woods institutions and the World Trade Organization, should translate all commitments made at the major United Nations Conferences and Summits in the economic, social and related fields into action.

We reiterate the need for enhancing the global partnership for development, and the necessity of strengthening international obligations, commitments and the full and timely implementation of commitments already made.

The G-77 believes strongly that the crisis has given new impetus to the reform of the international financial institutions.

In this context, the G-77 considers it imperative to promote an open, inclusive and transparent dialogue for a new international economic and financial system and architecture.

We consider essential to increase rapidly and decidedly the participation and representation of developing countries in the International Financial Institutions: countries of the South must be fully represented in the international decision making process on economic and financial matters.

While encouraged by the preliminary steps taken by both the IMF and the World Bank to enhance their responsiveness, there is a need for more fundamental reforms with a clear development orientation.

This reform must address the objectives for which the IMF was created:

- i) to ensure financial stability and
- ii) to ensure access to liquidity for those countries which actually need it, including a significant expansion of Special Drawing Rights (SDRs) allocation.

The financial and economic crisis has also underscored the need for policy space and elimination of conditionalities.

While we welcome various initiatives for new financial facilities and the provision of additional resources, access to these should not be tied to conditionalities.

Once more, policy space for developing countries must be maintained. We should also explore alternative modalities of liquidity provision to specific countries adversely affected by crises, including possible trust funds and new loan facilities.

I would like to stress that the response to the financial and economic crisis must take into account

the interest and specific needs of the developing countries as well as the particularities of the different regions from the developing world.

Our common demand is for a more equitable world order and for a more enabling international environment for development.

We are confident that with the support of the G24 we will make concrete recommendations to redress the structural failures of the international financial system and mitigate the impact of the financial crisis on developing countries.

In conclusion, let me stress that the time has come for the G-24 as a chapter of the G-77 to play its role in contributing and positively addressing the economic and financial crisis of today in order for our peoples to reap the benefits of a globalized world and avert its negative manifestations.

I wish all success to your deliberations.

I thank you.