



STATEMENT BY AMBASSADOR MUNIR AKRAM, PERMANENT REPRESENTATIVE OF PAKISTAN AND CHAIRMAN OF THE GROUP OF 77, IN THE GENERAL DEBATE OF THE SECOND COMMITTEE OF THE GENERAL ASSEMBLY (New York, 8 October 2007)

Madam Chair,

On behalf of the Group of 77 and China, I congratulate you and your Bureau on your election to steer the work of this important Committee during the 62nd Session of the General Assembly.

2. Let me also thank the outgoing Bureau in particular Ambassador Intelmann, for the very able stewardship of this Committee during the 61st Session of the General Assembly.

3. I would also like to take this opportunity to welcome, on behalf of the Group of 77 and China, Ambassador Sha Zukang as the new Under Secretary General of DESA. Ambassador Sha, a renowned Chinese diplomat, a veteran of multilateral diplomacy, and an old personal friend, will impart fresh momentum to work of the UN system in economic and social affairs. We wish him great success and assure him of our full support and cooperation. I also wish to take this opportunity to commend the excellent contributions of former USG, Mr. Jose Antonio Ocampo.

4. In his statement opening the general debate here, the Under Secretary General has reviewed the global economic trends and prospects. We thank him for the comprehensive and incisive analysis.

5. It is a little recognized fact that the UN system, including DESA and UNCTAD, have been much more prescient in their projection of economic events, including previous financial crises, than other major financial institutions. Foreboding about the dangers inherent in the recent imbalances in trade and financial flows were voiced by UN officials some time ago. The current financial "crisis" is unique in many ways - it originated in the biggest and strongest economy; it has spread to some other advanced industrial economies; it is being restrained and may perhaps be reversed due to the strength of some of the major developing country economies. This crisis reinforces the case for conscious efforts to unleash the latent economic potential of the developing countries. The generation of growth and incomes in the developing countries will sustain global growth and prosperity. The partnership for development is a two way highway; it is not a favour to the developing world.

Madam Chair,

6. Despite the strong economic performance by a number of developing countries during 2006, many countries are still caught in the trap of poverty, lacking productive capacity; dependent often on a single commodity; vulnerable to external economic turbulence, and unattractive for commercially driven investment. An increasing number suffer from the politics of scarcity, manifested in corruption, bad governance and political turbulence. These conditions often lead to further marginalization, the rise of extremism, and civil wars.

7. The challenges that we face today are complex and daunting. The situation, clearly calls for redoubling of our efforts to highlight the inextricable linkages between peace and development, the central role which the UN can and must play in advancing the broad development agenda and in

promoting a genuine and enhanced global partnership for development.

Madam Chair,

8. Under the UN Charter, one of the United Nations' principal responsibilities is the promotion of economic and social development and better standards of life for all peoples. As we see, the United Nations has a three dimensional role in the promotion of economic and social development: (i) policy formulation and negotiation of international norms, agreements, goals and commitments; (ii) development cooperation to facilitate the realization of the policy goals and commitments; and (iii) monitoring the implementation of these goals and commitments.

9. Over the course of the last decade or so, the various Conferences and Summits convened under the aegis of the United Nations have evolved a broad policy consensus on the goals and commitments that must be fulfilled by member states to realize universal development and prosperity. These internationally agreed development goals, including the Millennium Development Goals, have been well identified and their implementation can be readily monitored and pursued.

10. Of course, the United Nations must continue to respond to the challenges and opportunities for development that arise from time to time. Today, further analysis and policy formulation is required in at least six important areas: finance, trade, technology, energy, climate change and global economic governance.

11. First, the global financial system has evolved in ways, and in directions, over which neither international institutions nor most Member States have much influence or control. The developing countries certainly have little ability to influence financial trends despite the fact that these financial trends have significant implications for their growth and development, not the least due to the volatility of the situation. Perversely, in part to guard against this volatility, developing countries have accumulated large reserves which are transferred back to the deficit country. This has contributed to enlarging the net outflows of finance from the developing to the developed countries. Current attempts to reform the IMF address only certain aspects of these challenges. Changes in distribution of voting rights alone will not resolve the fundamental problems on instability and unavailability of liquidity for those who really need it. The world needs to develop a strategic vision for the comprehensive reform of the international financial and monetary system that is supportive of the objectives of rapid, balanced and sustained growth and development in a "globalized" international economy. Reform must encompass liquidity creation, including SDRs, ODA, Debt, FDI and private investment.

12. Official Development Assistance to developing countries, specially the most vulnerable among them, remains indispensable. Despite promises of an additional \$50 billion in ODA, its decline last year and heavy reliance on debt cancellation and restructuring is a source of serious concern to developing countries. The forthcoming review of the Monterrey Conference on Financing for Development, to be held in Doha, Qatar in 2008, will provide a valuable opportunity to evolve agreement on a comprehensive and effective approach to meet the resources requirements for the development of the developing countries.

13. Second, in the field of trade, we witness an impasse in the Doha Round. The major trading countries will need to demonstrate flexibility and political will to reach early agreement. Even if the Round is successfully concluded, the benefits for the developing countries may be marginal. Important areas of primary interest to the majority of developing countries - agriculture, commodities, food security, industrialization, capacity-building, neo-protectionism, erosion of preferential access - will at best be partially addressed. At this stage, it is essential to consider how and where the primary trade and developmental objectives of the developed countries can be best

promoted and realized. In the absence of the development dimension, the inequities in the international trading system will continue to retard global economic integration and the realization of the MDGs and IADGs.

14. Third, there is growing global consensus on the need to address the phenomenon of climate change. The political attention being accorded to this issue represents both a challenge and an opportunity for developing countries. At present, there are differences among countries on the dimensions of the challenge and ways and means to address it. The Group of 77 & China will evolve its own position and strategy to address this issue at several forthcoming forums, including the Bali Conference. We would wish to address the problems of Climate Change within the context of Sustainable Development and to promote, simultaneously, the realization of its three pillars: economic growth, social development and environmental protection on the basis of the agreed Rio principles, specially the principle of "common but differentiated responsibilities" between the developed and the developing countries. At Bali and beyond, Member States will have to agree on international response strategy which:

- supports sustainable development;
 - addresses mitigation, adaptation, financing and technology; and
 - ensures equity.
- We shall also need to agree on specific goals, their sequencing, negotiating frameworks and instruments, and appropriate implementation mechanisms.

15. Fourth, to achieve sustained economic growth and sustainable development, access to technology, especially advanced technologies, is critical, in a knowledge driven world economy. We need to agree on how access to, and transfer of, technology can be best secured by the developing countries, including through steps to overcome the constraints of the global IPR regime. Conscious measures are also required to focus on Research and Development on the problems and priorities of the developing countries, including through appropriate incentives to the private sector.

16. Fifth, growth and development cannot happen without the enhanced use of energy. Projections are also needed of energy supply and demand; the different sources of energy that are likely to be available, on affordable terms, in the coming decades; and the steps required to ensure the realization of the goals of sustainable development within the context of these projections. The UN and other concerned organizations should collaborate in evolving an internationally agreed strategy of "Energy for Sustainable Development."

17. Sixth, the rich cannot continue to determine the policies and parameters of the global financial, monetary, trade and technology systems which impact so significantly on the destinies of billions in the developing countries, including the poorest among them. The international community needs to agree on ways and means to ensure equity in international decision-making on economic and social issues, including the governance of international financial and developmental institutions, specially the Bretton Woods Institutions.

Madam Chair,

18. Development cooperation is the second dimension of the UN's development role. The UN's role has considerably enlarged over the years in the form of the operational activities of the UN, its Funds and Programmes and the specialized Agencies. The UN system collectively delivers over \$12 billion in development assistance. Parallel development cooperation programmes are undertaken through the World Bank and regional development banks and bilaterally by major donor countries.

19. The efficiency and effectiveness of the UN's development cooperation activities can be improved significantly in several ways. These measures were considered in depth by the High-Level Panel on System-Wide Coherence, which was co-chaired by the Prime Ministers of Mozambique, Norway and Pakistan. The Group of 77, and the Non-Aligned Movement, through the JCC, have expressed their preliminary views on the Panel's recommendations which, we believe, should be addressed in the integrated and coherent way. This exercise must achieve certain important objectives:

One, ensure the universal, grant, voluntary and impartial nature of the UN's operational activities conducted for the benefit of recipient countries at their request;

Two, ensure acceptance by all of the principle of national ownership in the formulation and implementation of national development strategies;

Three, enlarge the volume of funding to be able to respond to the national goals of recipient countries to achieve the MDGs and IADGs;

Four, provide untied and unallocated funding to ensure responsiveness to national goals and priorities;

Five, harmonize and streamline the business practices of UN Funds and Agencies, inter alia to reduce administrative and overhead costs; and

Six, promote coordination and harmonization of UN assistance with other multilateral and bilateral development assistance, particularly to ensure compatibility with national development plans and priorities.

20. The Triennial Comprehensive Policy Review (TCPR) of the operational activities for development of the UN system, to be held during the 62nd GA session, has assumed special significance due to the ongoing intergovernmental review of the HLP Report on System-wide Coherence and the consideration of the UNDP Strategic Plan 2008-2011 by the UNDP Executive Board. The TCPR process should determine the course of the UN's operational activities. It should not be superceded or pre-empted by other processes. The TCPR process should be driven by a vision of a stronger role for the United Nations on development issues, and by the need to fully implement all agreed commitments from all the major United Nations Summits and Conferences in the economic, social and related fields, including the IADGs and MDGs.

21. We are glad that we were able to agree on the UNDP Strategic Plan decision last week. We have expressed our concerns related to the UNDP's proposed involvement in human rights, its intention to serve as intermediary between governments and civil society, unequal earmarking of resources for certain focus areas rather than their allocation according to national priorities, and efforts to suggest policy directions for national priorities. We reiterate that the overarching principle of the UN's operational activities is national ownership and leadership of the process, its products and results by the programme countries. We welcome the Administrator's commitment to issue an updated version of the Strategic Plan at the first regular session of the Executive Board in January 2008. We hope that it will be further improved in light of agreement reached in General Assembly resolution on the TCPR.

Madam Chair,

22. The third dimension of the UN's developmental role is in monitoring the implementation of the agreed goals and commitments by the concerned Member States, organizations or other actors. As

we have stated previously, implementation remains the Achilles' heel of the UN's development cooperation efforts. In this context, consideration should be given to steps to redress this situation.

23. One logical step is to establish clear and time-bound targets and benchmarks for the fulfillment of the agreed goals and commitments. This has been done already in the case of the first 7 MDGs. It should also be done with respect to MDG 8 and the other agreed goals and commitments undertaken on finance, trade, ODA, technology etc. The UN, specially the DESA and UNCTAD, have the technical expertise to propose such targets and benchmarks for the fulfillment of the IADGs.

24. Secondly, we should also consider transforming these goals and targets into more binding commitments. Proposals have been advanced for such binding commitments in the context of Climate Change. The crisis of development is no less existential. Therefore, we should be able to agree to transform the IADGs into more binding commitments as a means of ensuring their implementation.

25. Thirdly, we need to strengthen the machinery for the monitoring and implementation of the MDGs and the IADGs. The General Assembly's development follow up resolution (60/265) provided a good legislative framework for pursuing a more structured and coherent approach to implementation of the MDGs and the IADGs. During this session, we should develop consensus for the establishment of a monitoring mechanism to track and encourage the implementation of MDGs and IADGs.

26. In this context, the first Annual Ministerial Review and the launch of the Development Cooperation Forum, during the ECOSOC's 2007 Substantive Session in Geneva, are important developments. If appropriately developed, the two mechanisms can usefully contribute to monitoring the implementation of the Internationally Agreed Development Goals, including MDGs. The DCF, in particular, can review and further develop guidelines for aid effectiveness and thus more objectively measure the results of development cooperation. We expect that the developed countries will also make presentations on their MDGs strategies, particularly on Goal 8, during the ECOSOC's AMR. It would help to know as to how far their policies are in conformity with guidelines of aid effectiveness as well as status of implementation of the commitments undertaken under the IADGs, including MDGs.

Madam Chair,

27. In advancing the global agenda, the international community will also have to be particularly mindful of the special needs of and challenges faced by Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States. The international community and the UN system must be responsive to the national development plans and strategies of the developing countries.

Madam Chair,

28. The Group of 77 and China will continue to work closely with our partners during the 62nd General Assembly Session, in a constructive and creative manner to address some of the key challenges that we face globally, and in the context of our work in the UN and in the Second Committee, to advance the implementation of the global development agenda.

I thank you.