



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MINISTER LUIS ALBERTO ARCE CATACORA, MINISTER OF ECONOMY AND PUBLIC FINANCE OF THE PLURINATIONAL STATE OF BOLIVIA, AT THE NINETY-FIRST MEETING OF MINISTERS AND GOVERNORS OF THE INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON INTERNATIONAL MONETARY AFFAIRS AND DEVELOPMENT (Washington, DC, 10 April 2014)

Mr. Chairman, Excellencies, Distinguished Delegates,

On behalf of the Group of 77 and China, I would like to thank you, for inviting me to address this important gathering of the G-24. I would like to take this opportunity to acknowledge the important role of the G-24 under your able leadership in dealing with monetary and financial issues.

The G77 and China stresses the vital need for ambitious and expeditious reform of the Bretton Woods Institutions, particularly their governance structures, based on full and fair representation of developing countries, in order to address the democratic deficit in these institutions and improve their legitimacy. These reforms must reflect current realities and ensure full voice and participation of developing countries. As a first step, the reforms should achieve, at least parity of voting power for developing countries as a group in the decision making process within the BWIs.

The G-77 and China believes that two critical actions must be pursued. First, as we said, there is a need for fundamental reforms in the IMF governance structure to be implemented. Second, the IMF must provide more comprehensive, evenhanded and flexible financial responses to the needs of member countries, without imposing procyclical conditionalities, respecting their need for policy space.

The G77 and China stresses the importance of the participation of Developing countries from the outset in all discussions on international monetary reform and in the operation of the new arrangements for Special Drawing Rights in the International Monetary Fund.

The Group calls for strengthening of the UN role in international economic and financial affairs, including its coordinating role in global economic governance. Likewise it's important to promote greater cooperation between the UN and the international financial institutions, including the early review of the implementation of the cooperation agreement between the UN and BWIs.

We affirm the need for reform of the international financial architecture, so that we have a financial and monetary system that reflects the realities of the 21st century, including a properly regulated international financial sector that reduces and discourages speculative investment, so that capital markets can be mobilized to achieve sustainable development and play a constructive role in the global development agenda. We note with concern that financial deregulation and financial liberalization have given rise to massive expansion of speculative financial flows and derivatives trading. The 2008 financial and economic crisis has illustrated that international finance has created an economy of its own, which has become increasingly disconnected from the real economy of production, direct investment, job creation, poverty eradication, inequality reduction and wage growth.

The democratization of international economic decision-making must also allow for special and differential treatment for developing countries and the transfer of technology on concessional and

preferential terms. This is crucial if developing countries are to succeed in eradicating poverty and accelerating economic growth in a sustainable manner.

If we are to succeed in fully implementing the internationally agreed development goals, including the Millennium Development Goals, by 2015, then full implementation of all commitments made at all the United Nations Summits and Conferences must be realized.

One of our main tasks is to overcome inequality, since the concentration of wealth co-existing with poverty and hunger emphasizes and exposes the unsustainable patterns of consumption and production, and in a period when the world is threatened by climate change and loss of biodiversity. We therefore have to call for global initiatives to address the problem of global inequality.

We believe that development should be aimed at eliminating material wealth gaps; the various economies should promote the common good and satisfy the material, cultural and spiritual needs of societies in a context of harmony with nature. In some countries, this worldview is known as the "Living Well".

The Group of 77 and China wishes to express our deep concern for the erosion of development cooperation in terms of ODA and reiterates the need for developed countries to urgently fulfill all their Official Development Assistance commitments in particular the commitment to reach the target of 0.7 per cent of gross national product for official development assistance to developing countries by 2015, as well as a target of 0.15 to 0.20 per cent of gross national product for Official Development Assistance to least developed countries.

The Group of 77 and China has a long held position that debt sustainability should be linked to a country's capacity to achieve its national development goals including the Millennium Development Goals. We also emphasize that creditors and debtors should share the responsibility to prevent and resolve unsustainable debt burdens.

Due to the continuation of the global economic crisis, the economies of increasing numbers of developing countries are being affected, and some countries are becoming more vulnerable to new external debt problems or even crises. Addressing external debt problems of developing countries is thus an important part of international cooperation and the enhanced global partnership for development.

The importance of additional resources and the need for full implementation of aid commitments is not only linked to the comprehensive treatment of the debt problems of developing countries but also to the overall Official Development Assistance resources.

In order to improve their effective participation in the multilateral trade system, the Group of 77 and China stresses the importance of facilitating the accession of all developing countries and least developing countries that apply for membership in the World Trade Organization (WTO), without political impediments, in an expeditious and transparent manner.

In order to fully harness the potential of trade, it is important to uphold a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that promotes recovery, growth, sustainable development and employment, taking into account the needs and interests of developing countries.

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.

I thank you.

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