



STATEMENT ON BEHALF OF THE G77 AND CHINA DELIVERED BY MR. KHALED HUSSEIN ALYEMANY, MINISTER PLENIPOTENTIARY, PERMANENT MISSION OF THE REPUBLIC OF YEMEN TO THE UNITED NATIONS, AT THE SPECIAL HIGH-LEVEL MEETING OF THE ECONOMIC AND SOCIAL COUNCIL WITH THE BRETTON WOODS INSTITUTIONS, THE WORLD TRADE ORGANIZATION AND THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (New York, 18 March 2010)

Mr. President,
Excellencies,
Distinguished Delegates,

I have the honor to speak on behalf of the G77 and China.

2. The Group welcomes and encourages the ongoing dialogue between UN and BWIs which is in our view constructive and conducive to remedy the world financial and economic crisis, and represent an important opportunity to review and strengthen the relationship between the UN and the BWIs, as set out in the Monterrey consensus.

3. The G77 does believe strongly that the United Nations have a pivotal role to play to achieve international cooperation and solve international problems of economic and financial character.

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4. The world economy may no longer be shrinking quite as fast as was predicted before, but the negative impact of the crisis is far from over. It may well be argued that its full effect remains to be seen, especially in developing countries. Even as analysts assure us that the world economy might be showing signs of recovery, unemployment and underemployment are on the rise worldwide, affecting the livelihood of millions of people in the developing world. If the international community fails to contain the effect of the crisis and address its roots once and for all, the world will face unimaginable and immeasurable consequences.

5. Past economic crises have had disproportionate adverse impact on the poor, who are the least able to bear these costs. Similarly, this financial crisis will also have severe consequences long after it's over. We call for the reforming of the IFIs to acquire a democratic and representative character and to contribute more effectively to development. Greater voice and representation in the IFIs is essential in order to counteract the impacts of the crisis and to avoid future similar crisis.

6. The Group calls for strengthening of the UN role in international economic and financial affairs, including coordinating role in global economic governance. Likewise it's important to promote greater cooperation between the UN and international financial institutions, including the early review of the implementation of the cooperation agreement between the UN and BWIs. We believe this meeting is part of the bridge building we are all required to make in order to address the lasting impacts of the crisis in a holistic way.

7. Meanwhile we call for the governing structures of the BWIs to be reformed, insuring the promotion of fair and equitable representation by developing countries and improving transparency

and credibility and the appointment of senior leadership of BWIs through transparent and merit-based selection process. Nations of the South must be fully represented in the international financial and economic decision making process. It is not sufficient to say that this crisis has underscored the need for reform. It must be enacted policy space and elimination of conditionalities. The outcome document of the World Financial and Economic Crisis of June 2009 contains vital elements in addressing such issues.

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8. The G77 and China reiterates its call for an urgent mitigation of global crises, particularly in relation to poverty and hunger eradication, and achieving sustainable development, and the internationally agreed development goals, including the MDGs. This coming September we'll have a High-level Plenary Meeting on MDGs to assist its progress. The global reach of the crisis calls for prompt, decisive and coordinated action to address its causes, mitigate its impact and strengthen or establish the necessary mechanism to help prevent similar crises in the future, and prevent millions of people from being driven into extreme poverty.

9. Developing countries are bearing the brunt of the crisis for which they are not responsible. They face the worst consequences and most of them do not have the resources to mitigate its multiple negative impacts. Any assistance provided to developing countries to meet the challenges of the crisis should be in addition to the Official Development Assistance (ODA) commitments made by developed countries. In this regard, the downward trends in ODA and capital flows, including FDI, and systemic imbalances in the international financial system, including its institutional architecture, must be urgently addressed. In this context, we reaffirm the need for fulfillment of the donor's commitment to allocate 0.7 per cent of their GNI to developing countries.

10. The G77 and China considers it essential that the international community provides more permanent and stable, predictable, concessional, conditionality free financial resources for developing countries particularly the most vulnerable and least developed among them. The mobilization of adequate resources at the national level as well as new and additional resources to developing countries from all available funding mechanisms, including multilateral, bilateral and private sources, is critical for the implementation of actions and measures towards overcoming the impact of the current crisis.

11. Trade and investment are engines for sustained economic development and growth. In this regard, we reiterate our commitment to the achievement of a universal, rules-based, open, non-discriminatory and equitable multilateral trading system which promotes sustainable development. We also believe that we need to redouble efforts towards the reinvigoration of the multilateral trade negotiations and to achieve a development-oriented outcome of the Doha Round.

12. The IMF balance of payment loans should not come attached to policy conditionality that is contractionary and procyclical constraining development objectives and needs. 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, we say 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.

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13. The responses to the financial and economic crisis and its impact on development, must take into account the interests and specific needs of the developing countries as well as the particularities of the different regions of the developing world. At the same time, we recognize the need to maximize the capacities of existing regional mechanisms and institutions along with others that could be created in the future, with a view to the progressive construction of regional financial architectures, according to the economic realities and ensuring a democratic representation and a transparent and accountable governance system and regulatory framework.

14. The G77 and China considers that this Spring conference should discuss ideas on how the UN could play a stronger role in international economic and financial affairs, including through strengthened role of the GA and ECOSOC, by giving meaningful reflection and impact to the recommendations in the work of the BWIs while also reviewing UN coordination with other existing international bodies that are dealing with global economic issues.

15. In conclusion, the Group of 77 and China remains committed to engage in this constructive process of interaction between the UN system and the BWIs. It must be said that the UN remains the appropriate venue to discuss the economic and financial affairs and decide on the best follow-up and alternatives to meet the needs and challenges of the 21st century.

