



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY GILBER MAMANI, SECOND SECRETARY OF THE PERMANENT MISSION OF THE PLURINATIONAL STATE OF BOLIVIA TO THE UNITED NATIONS, AT THE SECOND ROUND OF SUBSTANTIVE INFORMAL SESSION OF THE PREPARATORY PROCESS FOR THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT ON ENABLING AND CONDUCIVE GOVERNANCE, INCLUDING GLOBAL ECONOMIC GOVERNANCE (New York, 14 December 2014)

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

At the outset I would like to thank the cofacilitators for convening this substantive informal session and also the moderators and speakers for their presentations.

Regarding the item of "Enabling and conducive governance, including global economic governance"

The Group reaffirms that the current world financial and economic crisis and its consequences for development have exposed the gaps and failures in global economic governance, including within the international financial institutions, and the urgent need for a global, universal and integrated response by the international community.

We note with deep concern that seven years after the outbreak of the global crisis, there has been little progress made to strengthen the systemic, regulatory and structural aspects of the global financial system. Moreover, the lack of participation by developing countries in general in global economic issues and governance persists; this is a matter of grave concern because the workings of the global system affect all countries, and this democratic deficit has even more serious consequences for developing countries when the global economy is slowing down or in recession.

The Group strongly calls on the international community to redress the democratic deficit in global economic governance and provide developing countries their rightful place and participation in the governance and decision-making of all the institutions and forums where discussions and decisions are taken on global economic and financial issues.

We affirm that efforts to reform the international financial architecture should therefore be seriously strengthened, should be internationally coordinated and should lead to the full participation of developing countries in international financial and economic decision-making and norm-setting. We call for comprehensive reform of the Bretton Woods institutions, including enhancement of the voting powers of developing countries in a time-bound manner, in order to enable greater equity between developed and developing countries and to eliminate all types of conditionalities tied to aid.

We call for the urgent completion of the 2010 IMF quota formula reform in order to ensure that the quotas and governance of IMF better reflect the relative weight of emerging and developing countries in the global economy.

However, the redistribution of voting rights to reflect reality alone will not resolve the structural problems of financial instability and the lack of liquidity for developing countries in need to generate

the necessary sustainable growth and development. Also the reform should encompass liquidity creation, including improvement in the special drawing rights for developing countries. IMF must provide more comprehensive and flexible financial responses to the needs of developing countries, without imposing procyclical conditionalities and respecting their need for adequate policy space.

Thank you.