

STATEMENT BY H.E. AMBASSADOR S.R. INSANALLY PERMANENT REPRESENTATIVE OF GUYANA TO THE UN, CHAIRMAN OF THE GROUP OF 77, BEFORE THE AD HOC OPEN-ENDED WORKING GROUP ON FINANCING FOR DEVELOPMENT

New York, 9 February 1999

Mr. President, Mr. Secretary General,
Distinguished delegates,

As we begin our deliberations in this Ad Hoc Working Group on Financing for Development, I am pleased to offer on behalf of the Group of 77 and China, our warmest good wishes to you and our two distinguished co-Vice-Chairmen, Ambassador Sucharipa of Austria and Ambassador Sharma of India on assuming the leadership role in advancing this important issue on the international economic and social agenda. You may be assured of our full cooperation as we seek together to ensure a successful outcome.

I would also wish to welcome our distinguished Secretary General into our midst today. His presence is indicative, I believe, of the readiness on the part of the Secretariat and indeed of the United Nations system to give all necessary support to the process.

The importance of this exercise can only be fully grasped when we realize how formidable the challenge of development has become in today's globalizing world. This challenge can be seen in the more than 1.3 billion people who live in absolute poverty, the more than 800 million who lack basic nutritional requirements, the more than one billion who remain, without access to clean drinking water, and the nearly one billion who are unable to read and write. The present financial and economic crisis afflicting countries in Asia, Latin America and elsewhere has exacerbated the situation, resulting in a dramatic setback to decades of economic and social progress. The growing frequency and intensity of crises of this nature have called into question the systemic underpinnings of the global economy and the adequacy of the international financial architecture. What is more, with the globalization of trade, finance, and information flows intensifying competition, the poorest countries and communities are falling behind even more rapidly than before.

These harsh realities demand immediate attention and action. To move forward, both the developed and developing worlds need to undertake an in-depth appraisal not only of the opportunities but also of the risks of globalization. In responding to the challenge, the United Nations General Assembly, just last December, decided in GA Resolution 53/169 to place the question of globalization and interdependence squarely on the Organization's agenda. This decision was premised, among other things, on the recognition that the UN, as a universal forum, was uniquely placed to promote international cooperation in addressing the challenge of development in the context of globalization and interdependence.

It is now for the United Nations, for the international community as a whole, and especially for the developing world to meet this central challenge of our times. However, while analyses of the globalisation phenomenon vary considerably, it is fair to say that Governments, particularly those of the South, now find themselves increasingly powerless to act in the face of global trends. Traditional international cooperation is in sharp decline while no new mechanisms have evolved to compensate for the resulting shortfall in development resources. Globalization has thus engendered a new imperative for development financing.

To appreciate the unique opportunity which the current discussions present for taking us forward on this issue, we need only to remind ourselves of the enormous difficulties which were encountered when first we sought to find agreement to create a forum in which the question of development financing might be raised. If truth be told, there were uncertainties on all sides as to what good could come from such a discussion. Many of our developed partners appeared to feel that assistance was both wasteful and wasted. On the other hand,

the majority of developing countries were of the view that adequate financing continued to be necessary if they were to be eventually integrated into the world economy.

Happily, resolution 52/179 emerged after painstaking negotiations and an unexpected surge of political will to narrow these differing positions and pave the way for the process in which we are now engaged. The memory of those difficulties must surely compel us to avoid further recrimination and instead to do our utmost to explore fully the opportunity which we now have for advancing the development agenda. At this stage, one can therefore say that the process is perhaps no less important than the substance and must accordingly be managed with great care.

Having said this, I would wish to make, on behalf of the Group, some observations about the process and organization of our work in the months ahead. Resolutions 52/179 and 53/173 give clear guidance regarding the primary purpose of the working group. It is to make recommendations on the form, scope and agenda for a high-level international intergovernmental consideration of financing for development. These recommendations, it is expected, would be ready for submission to the General Assembly at its fifty-fourth session. Our calendar should therefore be organized to allow for this.

Also, recognizing that the subject terrain is still largely uncharted, the Group of 77 and China are of the view that we should follow a step-by-step approach in order to ensure solid and stable progress. Our first task as a working group should be to establish a realistic programme of work that will allow us to seriously examine the issues before us. The programme should also cater as far as possible for maximum participation in the process by all delegations, particularly those from developing countries. One knows only too well the enormous difficulties which small delegations have in following an ever-expanding United Nations agenda. Our aim should be to complete our work by June so as to be able to transmit the results of our deliberations to the fifty-fourth session in accordance with Resolution 52/179.

Our Group believes that the working group could re-convene in early April to begin an in-depth discussion of the issues with a view to making a final determination on the form, scope and agenda of the event. In this context, we believe that the Report of the Secretary-General on recurring themes and key elements, contained in document (A/53/470), encompasses a sufficiently wide range of topics on which to base our discussions. At a time when serious reflections on development in the context of globalisation and liberalisation are increasingly pointing to the need for a comprehensive and integrated approach to the development-process, the issue of finance for development can no longer be viewed in a narrow context. The Secretary General's report may therefore be adopted as a framework for our Agenda and as a

guide for our discussions. We consider that an approach which "clusters" the topics would encourage a debate which explores the inter-connectedness of the various themes and at the same time, build political momentum. It is our hope that following our discussion in April, the co-Vice-chairmen will be able to prepare a text which takes account of the views expressed and provides a basis for determining the Working Group's recommendations to the General Assembly.

Our Group understands that consideration is being given to a process whereby the formal meetings of the Working Group of the Whole may be complemented by a series of informal meetings, allowing for a freer exchange of views and also of information on the work being done on this issue by other relevant bodies. We are certainly not averse to such a proposal but would wish to emphasize, that any informal process of consultation must be broad-based, representative and transparent. Only in this way can we be assured of confidence in the process and its eventual outcome.

Let me refer to one final matter, that is the issue of the involvement of non-state actors in the work of the ad hoc group and in the process as a whole. The rise of the private sector and the growing importance of civil society throughout the world have opened up new possibilities for cooperation with Governments. Concerted

action by all actors - governments, the private sector and civil society - can maximise our prospects for development. We should therefore find a way in this preparatory process to tap the potential of all partners so that full benefit can be derived from the high-level forum that has been agreed upon.

As far as the exact nature of the event is concerned, the Group of 77 and China remains open to ideas and to a continuing dialogue with our partners to come to a decision on this issue. We are of the view, however, that it should be a self-standing event with high level participation and that its product should be action-oriented, implementable and contain clear provisions for follow-up.

In closing, let me say that we look forward with interest to hearing the views that others will express over the next three days. As the dialogue continues, we will not hesitate to contribute further to the exchange of ideas in the hope that those upon which we can agree, will come to early fruition.

I thank you.