

**ADDRESS BY HIS EXCELLENCY S. R. INSANALLY, AMBASSADOR AND PERMANENT REPRESENTATIVE OF GUYANA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, AT THE SIXTY-FIRST MEETING OF THE MINISTERS OF THE GROUP OF 24**

**Washington, D.C., 26 April 1999**

Mr. Chairman,  
Excellencies,  
Ladies and Gentlemen,

Thank you, Mr. Chairman, for inviting me to address this important gathering of the South. At the outset permit me to congratulate you on your unanimous and well deserved election as Chairman of the G-24. I would like also to congratulate the other members of the Bureau. Your election manifests the total confidence of the developing countries in your ability and experience in steering and guiding the deliberations of the G-24 towards its most successful outcome.

I would like also to pay tribute to your eminent predecessor in his task as Chairman of the G-24, H.E. Mr. Abdelkrim Harchaoui, Minister of Finance of Algeria, whose dynamism, dedication and commitment have earned our admiration and appreciation.

Mr. Chairman,

Today, the international community is faced with multi-faceted challenge to effectively grapple with multidimensional problems facing developing countries. The international community has to address these issues more squarely. Certainly, effective mobilization and provision of financial resources for development as well as the creation of a conducive international environment poses the greatest challenges to the international community.

The Ministerial Meeting of the Group of 77 held in September last year pointed to the inadequacies of the present economic system for achieving the goals and objectives of development and has called for meaningful reforms. It is now recognized that the gravity of that challenge is increasingly manifested, particularly in the wake of the Asian financial crisis and its great impact on the entire world economy. In this context, the issue of strengthening the architecture of the international financial system should therefore become an important and major focus for the G-77 and the G-24.

Mr. Chairman,

The problem of inadequacy of financing of development is closely linked with the issues of external debt and development. External indebtedness has emerged as one of the major obstacle to the development efforts of developing countries. The development endeavors of developing countries, in particular towards the provision of social and economic services, severely hampered by the obligation to set aside a substantial portion of national budgets for serving external debt. This situation is further exacerbated by the negative effect of structural adjustment programmes, decline in ODA, deteriorating terms of trade of developing countries and sharp falls in commodity prices as well as escalating protectionism in the developed countries.

In fact, the various debt relief measures undertaken so far, including the Heavily Indebted Poor Countries (HIPC), have not gone far enough in alleviating the burden of debt and debt serving of developing countries. Certainly, more needs to be done in terms of debt cancellation. In our view, the criteria for eligibility of HIPC initiative should be made more flexible to enable more countries to benefit from these arrangements. As it is now, it is almost a nightmare for a country to meet the conditionalities involved and the time it takes before

reaping the first benefits after qualifying. What is urgently needed today is an affective development-oriented and durable solution to the external debt problem of all developing countries.

It is obvious that in order to effectively and meaningfully accelerate the development process of developing countries, there is an imperative need to reverse these declining trends in the ODA flows, which remains the principal source of development financing for most developing countries. In particular, developed countries should comply with the internationally agreed targets of ODA and commitments for new and additional resources with view to assisting developing countries in achieving their development needs.

Mr. Chairman,

Many developing countries are not able to benefit from the twin processes of liberalization and globalization of the world economy. These processes benefit some countries, mostly developed countries while causing instability and marginalization in developing countries. Most of developing countries face the greatest risk of further marginalization. Thus, there is a need for measures which should include long-term financial and technical support, transfer of technology, and the improvement of the trade performance of developing countries. It is also necessary to ensure full and effective participation of the developing countries in the international economic decision-making processes.

Eradication of poverty remains a priority goal of all developing countries. However, despite increased efforts to eradicate poverty, the total number of people living in poverty is increasing. The majority of the population in these countries continue to live in extreme poverty, unable to access basic human needs such as nutrition, health, water, sanitation, education, and housing. It is the view of the Group of 77 that Bretton Woods institutions should join the UN effort in formulating a global strategy for the eradication of poverty in developing countries.

Mr. Chairman,

The issue of financing of development is identified by the Group of 77 as the most critical and core issue in the quest of evolving a dynamic international cooperation for development. In fact, all of the outcomes of the all of the major international summits and conferences have explicitly and implicitly addressed and highlighted the indispensability of financial resources for development. The reviews undertaken on those outcomes highlight that the major factor for not implementing effectively the recommendations of those outcomes have largely related to deficient actions on financial resources for development.

At the recent meeting of Group of 77 Chapters in Geneva, we underscored the importance of the ongoing preparatory process for the "High-level international intergovernmental dialogue on Financial for Development" which, as you know, is to take place in the year 2001 in accordance with resolutions 52/179 and 53/173 adopted by the U.N. General Assembly.

The ad-hoc Working Group that has been established for this end, chaired by the Ambassadors of India and Austria in New York, has been carrying on its work with much diligence and success, to the point that we will soon be entering a very substantive (and political) phase in which we will consider in detail the proposed form, scope and agenda of the conference, in order to refer them to the General Assembly for its final approval and convocation.

As we move into this stage, it will become more important than ever to establish a close, working relationship between the Group of 24 in Washington and the Group of 77 in New York and, indeed, between the foreign and finance ministries and central banks of our respective countries! There is no other way to do it if we really want this conference to be a success and to be significant in helping to set "new rules of the game" for international economic and financial cooperation, as we enter the twenty-first century. That is why the Group

of 77 has insisted from the beginning that the scope and agenda of the conference should be of a broad nature.

For this reason, many delegations are suggesting that our conference should be made into a "joint endeavor" of the United Nations and the Bretton Woods institutions, and thus benefit from the inputs of the intergovernmental bodies as well as secretariats of both sets of entities. This is an idea to which the Group of 77 is giving serious and careful consideration and, on which we would like very much to have your views, your ideas and your support.

Some of these topics will, I am sure, also come up in the joint meeting that we will be holding with ECOSOC in New York next 29 April and in which I hope many of you will participate.

Mr. Chairman,

Next year the Group of 77 will convene the first ever South Summit. This largest gathering of 133 developing countries of the South will take place in Havana, Cuba, from 10 to 14 April 2000. The Group of 77 firmly believes that the South Summit will provide an excellent opportunity for the developing countries to articulate a common vision and development strategy for the next millennium. The South Summit would also serve as an important contribution to the United Nations Millennium Assembly. Accordingly, we will aim for a forward-looking, action-oriented outcome outlining practical recommendations and goals to be accompanied by firm commitments to provide the resources necessary for their implementation. Such a Summit certainly would have to deal with the progress the Group of 77 has made over the past thirty-five years, but also and above all it would have to look with foresight towards the content and the deployment of our future actions. We look forward for an active participation of the G-24 during the preparatory process of the South Summit.

Mr. Chairman,

The year 1999 coincides with a significant date for our Group, the thirty-fifth anniversary of the birth of the Group of 77. In its thirty-five years of existence, the Group of 77 has struggled to defend the interests of its member countries. This struggle has led in 1971 to the establishment of the G-24 by the G-77. Since then, there have been significant successes and many setbacks. It is incumbent upon all of us to consolidate the gains while tackling the shortcomings and setbacks with concerted action. Our main duty is to build and preserve the unity of the developing countries in all G-77 Chapters. The strength of the South must rest on the clarity of its objectives, the effectiveness of its mechanisms, its unity and its internal cohesion. Today both the Group of 77 and the Group of 24 have an enormous potential for making use of their influence. Therefore, our duty is to persevere in the efforts to achieve their effective consolidation for the benefit of all developing countries.

I wish all success to our deliberations.

I thank you, Mr. Chairman.