

**Statement by H.E. Mr. S.R. Insanally Ambassador/Permanent Representative of the Republic of Guyana to the United Nations, Chairman of the Group of 77, in the General Debate of the Second Committee during the fifty-fourth session of the General Assembly**

**New York, 6 October 1999**

Mr. Chairman,

The Second Committee's Agenda this year is clearly a comprehensive and urgent one, addressing as it does issues of macro-economic concern as well as those that relate to the more routine but equally important activities of the United Nations in the economic and social fields. They all deserve our close attention.

Since this is the last time in this century that we will be having a debate in the committee, we should not fail to reflect on our development experience during the last several decades, to determine what our priorities should now be, and to see how the United Nations system can maintain and strengthen its capacity to promote development in a fast globalizing world.

Our exchange of views will undoubtedly be facilitated by your own expert guidance. As someone who is familiar with the issues before us, you will certainly bring to bear on its conduct a high degree of knowledge and commitment. On behalf of the Group of 77 and China, I offer to you and your bureau our congratulations and good wishes on your election this year.

May I also acknowledge with appreciation the perceptive analysis provided by Mr. Desai of the global economic situation.

Mr. Chairman,

Just a year ago the world economy was in the throes of a financial crisis and uncertainty. Today, the intensity of the crisis appears to have abated. It has, however, left a disquieting aftermath of economic and social reverses. Whatever little progress may have been achieved in recent years by developing countries has been severely eroded. Now, into the third year of the first United Nations Decade for the Eradication of Poverty, poverty and unemployment are still very rampant in the developing countries. And while there have been hopeful signs of recovery recorded in some countries affected by the crisis, we cannot say with certainty what are its implications for future development. We must therefore attempt to analyse these developments and to draw from them some lessons on which necessary policy-making may be based.

The varying impact of globalization has produced serious economic asymmetries both at all levels global, regional and domestic. While it has obviously benefited strong economies, it has also exposed weaker states to marginalization from the world economy. New challenges have thus been posed to the development aspirations of our countries. Many of these particularly the least developed countries and the small economies, now face grave difficulties in their efforts to integrate into the world economy. By opening the flood gates of trade and finance, globalization has exposed these countries to strong external forces. Economic and social misery have followed in its wake exploiting the particular vulnerabilities of small developing countries, many of whom are dependent on a single agricultural crop like bananas or sugar for the livelihood of their peoples. The divide between rich and poor both within and among countries has widened further, not only in economic terms, but also in the areas of knowledge and in technology, leading to an exponential rise in the inequities of the current system.

In the view of the Group of 77 and China, globalization is thus the single most important challenge facing the

international community today. If this process cannot be harnessed in service to all, it will ultimately benefit none. We therefore believe that globalization and its governance should be looked at from four broad perspectives, namely: the democratization of international economic decision-making; the integrated consideration of trade, finance and developmental issues by the international institutions; the reform of the international financial architecture; and the effective prevention of marginalization of developing countries.

Mr. Chairman, the harnessing of globalization to global development objectives will undoubtedly require multilateral action. Disconcertingly, however, the response of the international community has thus far proved inadequate to this challenge. Despite the consensus reached on development during the UN conferences and summits of the 1990s, the commitment to international cooperation for development is now at its nadir, with levels of official development assistance plunging to unprecedented lows. Faced with this situation the President of the World Bank just a few days ago called for a new development architecture in addition, presumably, to a new financial architecture. We certainly have no reason to doubt that need.

A new development architecture will certainly require the strengthening of the productive capacity of developing countries and action to widen their access to export markets. They will need to be assured of stabilization in the international financial and monetary system in order to avoid the hazards of currency fluctuations. Equally important, given the vast disparity which exists in the economic capacities of countries, developing countries should benefit from special and differential treatment in accordance with the principles outlined in Part IV of the GATT Agreement and the GATT Legislative clause of 1971. Following the Marrakech Ministerial Meeting last month, the G-77 countries must be ready to urge these requirements at the forthcoming WTO Ministerial Meeting in Seattle in preparation for UNCTAD X in Bangkok next year.

In the critical area of development financing the recent initiative taken by the G8 in Cologne has served to further reduce the debt of the HIPC, twenty-nine of whom are LDCs. The full and timely implementation of this initiative can ensure that more resources will be available to satisfy health, education and other social needs. We must therefore take early expeditious action to apply it. However, it is clear as of now that to cater to the large number of prospective beneficiaries, more resources are required. Thus far, only four countries Denmark, the Netherlands, Norway and Sweden - have satisfied the internationally agreed targets for ODA. It is time that other donor countries emulate their example in order to provide the resources so desperately needed by the poorest developing countries.

Mr. Chairman,

Given the enormous deficit in resources available for development, the process on financing for development launched two years ago by the Assembly assumes critical importance. During this session, our Committee must address, as a matter of priority, the next steps to be taken in this process. In this context, the Group of 77 and China welcomes the report of the Ad Hoc Open-ended Working Group of the General Assembly, which we believe, provides a sound basis for our future deliberations on this issue. We must now seek to build on the areas identified to create a framework within which the funding of development can be assured.

Such a framework must be based on a new global partnership for development designed to respond in the first instance to the priorities of the developing countries and premised on national ownership of the development process. It must also be informed by a holistic and integrated consideration of the various issues that impinge on the development agenda. The G-77 and China will therefore continue to advocate this broad and inclusive agenda to counteract the worst excesses of globalization.

Turning now the issues of environment and development, our Group wishes to reiterate the urgency of the need to accelerate the comprehensive implementation of Agenda 21. In keeping with the principle of common but differentiated responsibilities, developed countries have an obligation to fulfill all their commitments under Agenda 21 and to halt their own destructive impact on the global environment. At the

same time developing countries, while fully committed to do their part to protect the environment, need to be supported in their efforts, through the provision of new and additional financial resources and the transfer of appropriate technology.

The Kyoto Protocol now enshrines legally binding commitments for the Parties to the Framework Convention on Climate Change to reduce their emission of Greenhouse Gases, as contained in Annex-B. We urge developed countries to undertake urgent and effective steps to implement these commitments. However, they need to go further to provide the developing countries with necessary financial support and clean technologies to enable them to meet their existing commitments under the Framework Convention on Climate Change.

On the UN Convention to Combat Desertification, we wish to highlight our concern over the insufficiency of international efforts to address this menace. The Global Mechanism is yet to function adequately largely because of insufficient resources and commitment. We trust that the third Conference of the Parties to be held soon in Recife, Brazil will seize the opportunity to remedy some of these deficiencies.

The G-77 and China also attaches importance to the full implementation of the provisions of the Convention on Biological Diversity. In that regard, we look forward to the early and successful conclusion of the negotiations on a Biosafety Protocol. Similarly, the Group looks forward to a successful round of negotiations at the final session of the Intergovernmental Forum on Forests in February 2000. We call upon developed countries to implement their commitments particularly as set out in Chapters 33 and 34 of Agenda 21 in the context of IPF and IFF, and to continue to support policy deliberations and concrete actions, building upon the forest principles adopted in Rio.

Looking ahead to the proposed 10-year review of the implementation of the outcome of the UN Conference on Environment and Development, we wish to alert the Committee to the need for early substantive preparations in order to achieve meaningful results. Specifically, as called for at the Rio+5 review held in 1997, the international community must now take new steps to implement their commitments at the international level, particularly in areas such as the added provision of concessional financial resources and transfer of environmentally sound technology on concessional terms. Preparations for the 10-year review should thus focus on identifying the challenges and constraints faced and creating new mechanisms and measures to remove them.

Mr. Chairman, we have all become aware of the growing importance of knowledge and technology to the economic and social development of countries. The information age has brought with it not only fascinating progress, but also the threat of further economic and social disparity. Sadly, the United Nations appears still ill equipped to deal with this challenge. It must be urgently strengthened in this area if it is to effectively serve development in the next century, and to encourage the endogenous capabilities and capacities of developing countries in science and technology, including in the area of environmentally sound technologies and emerging technologies, for their development. The Group of 77 and China considers that it would be important to improve the work of the ECOSOC Commission on Science and Technology for Development, through a review of its working methods, and enhancement of its ability to assist developing countries in this vital area.

In dealing with the myriad of development problems, developing countries will seek not only to engage our partners in the developed world but also to strengthen cooperation among ourselves. We are determined to fully exploit the potential of South-South cooperation in the pursuit of our development and to promote our self reliance. With this in view, developing countries will meet at the highest level in Havana next April for the first-ever South Summit. The Summit will be an opportunity to launch a positive agenda of the South to promote economic security and social welfare. To this end it will consider the broad themes of globalisation with particular reference to its implications for developing countries, knowledge and technology, South-South

cooperation and North-South relations, and from these deliberations distill a consensus philosophy and action programme for economic and technical cooperation among developing countries at the turn of the century.

In conclusion, Mr. Chairman, let me observe that any new development architecture must also contemplate a stronger United Nations system supported by strong political will and financial resources. A useful building block would be closer cooperation and coordination between the UN and the multilateral financial and trade institutions. As the most universal and democratic of international organisations, the United Nations has to play a key role in international economic policy-making. To be truly credible and effective the leading international trade and financial institutions must take into account the policy guidance of the UN to ensure that their own operations are in conformity with the development objectives of developing countries. The high-level dialogues which have been held in recent years between the Economic and Social Council and the Bretton Woods Institutions, are steps in the right direction. With further rapprochement, we will undoubtedly reach greater consensus on development and thus be able to fashion a common agenda and strategy for the new era we are about to enter.

I thank you.