

STATEMENT BY MR. GEORGE TALBOT, REPRESENTATIVE OF THE REPUBLIC OF GUYANA, ON BEHALF OF THE GROUP OF 77 AND CHINA, ON AGENDA ITEMS 101(A): OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM; AND 101(B): ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

New York, 15 October 1999

Mr. Chairman,

I am pleased, on behalf of the Group of 77 and China, to address the issues under Agenda Item 101, namely Operational Activities for Development, and Economic and Technical Cooperation among Developing Countries.

Allow me, first of all, to express our gratitude for the reports made available under this item. We also appreciate the remarks made by the Secretariat officials in introduction of these reports.

Mr. Chairman,

The operational activities for development of the United Nations system, especially the work in field carried out by organizations such as the UNDP, UNICEF, UNFPA, UNIFEM and others, have in many ways, symbolized the value of the United Nations to the peoples of the developing world. UNDP in particular, with its near universal presence in developing countries, has served as the face of the United Nations in many of these countries.

The Group of 77 and China wishes to avail of this opportunity to record its appreciation for the valuable role that UN operational activities have played over the years in the development process within our countries. We wish to reaffirm the fundamental characteristics of operational activities, their multilateralism, universality, neutrality, non-conditionality and responsiveness to the priorities and needs of developing countries in a flexible manner. Indeed, these characteristics have in the past distinguished operational activities from those of institutions such as the World Bank, which were seen as responding more to the interests of major shareholders than to the requirements of their clients in the developing world. The Group of 77 and China strongly believes that the preservation of the fundamental character of operational activities is critical to their future effectiveness and credibility.

We are therefore deeply concerned over the trends that characterize the UN's development activities at the present time, which threaten to undermine the very foundation and future of these activities. There is little question therefore, from our perspective that UN operational activities are now at crucial phase.

Mr. Chairman,

One of the unfortunate ironies in this regard is that while organizations, such as the World Bank, to their credit, have succeeded to some degree, in projecting a friendlier, more human face in the perception of many countries, others such as the UNDP and other funds and programmes are going through a debate which, rightly or wrongly, gives rise to a concern that they may become less responsive to the most urgent concerns of developing countries, more restrictive in their programme orientation, and at risk of becoming irrelevant because of a patent lack of critical mass. This perception, often shared both by donor and programme countries, albeit for different reasons, presents a real dilemma for the operational activities, particularly so for UNDP, which is the largest of the United Nations' funds and programmes.

At the heart of this dilemma is, of course, the continued decline in the funding for the core functions of these institutions. UNDP, more than other funds and programmes, suffers today not for want of reform, but for a lack of commitment on the part of those who are best placed to support its role and activities in development.

Over the past decade, UNDP and other agencies, through a series of reforms, have progressively sought to redefine themselves, taking into account the urgings of donor countries. Sadly, as the reform process has continued to unfold, the resource situation has progressively deteriorated. The result has been a continued reduction in core activities in programme countries. Developing countries have seen their options for utilization of support from UNDP and other agencies severely curtailed, not only because of a lack of resources but also because of a continued narrowing of the focus of their activities. Furthermore, operations in the field have been subject to frequent interruptions due to shortfalls in resources. In short, the compact linking reforms with resources has been honoured largely in the breach, with adverse consequences both for funds and programmes and the countries that they serve.

The most recent effort to repair the compact between the reform, resources and results in the funds and programmes, as represented by their Multi-year Funding Framework (MYFF) processes, is now being put to the test with so far disappointing results. Agreed just over a year ago as a framework linking resources and results, the UNDP MYFF contemplates the achievement of an annual target of \$1.1 Billion, as a contribution to core resources, a target that was previously agreed in 1995. Despite this, it is clear months after the decision to launch the MYFF, that the necessary commitment on the part of donor countries is yet to materialize. The Group of 77 and China wishes to place on record its grave concern over this situation. At the same time, it is our fervent hope that it will be possible over the next 12 months to make tangible progress in placing the funding of UNDP and of operational activities in general on a sound, predictable and assured footing.

Allow me therefore to reaffirm the commitment of the Group of 77 and China to the full and effective implementation of GA Resolutions 53/192 on the triennial policy review of operational activities. In that context, let me say that in welcoming the elaboration of the United Nations Development Assistance Frameworks, we wish to emphasize their role as mechanisms for enhanced coordination of the contributions of funds and programmes at the field level, under the leadership of national governments. UNDAFs are not strategic frameworks for the pursuit of an "international" agenda. We also wish to point to the need for close attention to the roles of the UNDG and of the Executive Board, with a view to ensuring that respective mandates are fully respected.

Mr. Chairman,

Let me now address the issue of economic and technical cooperation among developing countries, which are integral of components of South-South cooperation. The Group of 77 and China attaches high priority to strengthening South-South cooperation in the context of globalization and of the larger matrix of international cooperation for development. South-South cooperation contributes not only to development in the South, but also to the growth of the world economy, in which developing countries play a dynamic part.

It is evident from the report of the Secretary-General that this form of cooperation has progressed significantly in recent years in a number of key areas such as trade, investment and finance. The effect has been a gradual but steady growth in economic and technical cooperation among developing countries that augurs well for the future. The Secretary-General's report also testifies to the growing importance of South-South cooperation, as evidenced, for example, by the steady increase in intra-South trade throughout the 1990s, and the increasing share of intra-South trade in global trade flows. Positive developments have also been noted in other sectors, such as finance and investment.

Mr. Chairman,

In recent years, South-South cooperation has found expression increasingly through regional cooperation and integration arrangements of the countries of the South. Such arrangements have played a prominent role in stimulating the growth of South-South trade. Our Group recognizes the potential of these arrangements for further dynamizing South-South cooperation across a broad array of sectors. To this end the Bali Declaration and Plan of Action, adopted last December in Bali, Indonesia, provides a solid platform for further initiatives in cooperation, both within and among regions of the South.

Mr. Chairman,

In our consideration of South-South cooperation this year, we hope to build on the achievements of the past and to lay the ground for solid progress in the future. In this context, we hope to carry forward the results achieved during the Eleventh Session of the High Level Committee on TCDC. Our Group attaches continuing priority to the closer integration of ECDC and TCDC and to the strengthening of regional and sub-regional cooperation mechanisms. We seek also the closer involvement of the business and private sector actors in the advancement of South-South cooperation.

In closing, let me say that the Group of 77 and China looks forward to the forthcoming South Summit in Havana, as an occasion to provide new impetus and dynamism to cooperation among developing countries in sectors of strategic importance. We also look forward in engaging our partners in the developed world in a new strategic partnership for development in a globalized world.

Conscious of the enormous potential of South-South cooperation as an engine of global economic growth and social progress, the Group of 77 and China is determined to fully exploit its benefits not only for the countries of the South but for the world at large.

I thank you.