



STATEMENT BY THE MOST HONOURABLE P. J. PATTERSON, ON, PC, QC, MP PRIME MINISTER OF JAMAICA, ON BEHALF OF THE GROUP OF 77, IN THE FINANCING FOR DEVELOPMENT SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 14 September 2005)

Co-Presidents
Distinguished Heads of State and Government
Mr. Secretary-General
Excellencies
Ladies and Gentlemen
Mr. President,

The Group of 77 and China, on whose behalf I speak, is most pleased to have you both preside over this important meeting.

We meet to assess our effort at providing the financing necessary for the development of the developing countries in the context of our joint commitments made at the Millennium Summit and the several development-oriented conferences and summits since the 1990s.

Looking ahead, we must determine and provide the additional financing required to ensure achievement of the development objectives and goals, including the Millennium Development Goals (MDGs) within the stipulated time-frame.

ASSESSMENT OF THE OVERALL TRANSFER OF RESOURCES

Since the Millennium Summit, the developing countries have made total net transfers of over One Thousand, One Hundred and Seventy-Four Point Five Billion U.S. Dollars.

These negative transfers have persisted, despite the commitments by the developed countries to increase Official Development Assistance, to reduce debt and debt-service payments, to open their markets to the products of developing countries and to encourage private investment in developing countries.

While resources from developing countries flow to developed countries without impediments, the initiatives and programmes of developed countries which would transfer resources or provide access to developing countries have either been negligible, stymied in negotiations, or ringed with strict policy conditionalities.

PERFORMANCE IN INDIVIDUAL AREAS FOR RESOURCE MOBILISATION IDENTIFIED IN THE MONTERREY CONSENSUS

DOMESTIC RESOURCES

Developing countries have been making significant efforts and have increased domestic resources.

But a large portion of these resources has not been available for developmental investments as Governments have been forced to use it for debt servicing, particularly to the multilateral development banks and as "international reserves".

INVESTMENT FLOWS

Investment flows have recovered to reach the annual average for the years prior to the Asian Crisis. These flows, mainly direct foreign investment, are, however, concentrated in a few large developing countries while flows to other regions have been in steady decline.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Until recently, there was a precipitate fall-off in the implementation of commitments after the Monterrey Consensus, particularly in the mobilisation of financial resources for development.

The G77 and China is, therefore, most encouraged by recent commitments to substantial increases in ODA, and by

the establishment of firm timetables by the European Union for its Members to increase their ODA to reach the 0.7 per cent target. We urge other developed countries to do likewise.

DEBT

There have been reductions in the ratios of debt to Gross National Income and debt service-to-export earnings since 2000 due to strenuous efforts at repayment by developing countries and some debt relief.

With due deference to the 2003 “Evian approach”, of the G8 Finance Ministers, there has however been no real initiative to address the debt of non-HIPC low income and middle income developing countries. This burden is far too heavy for many of these countries.

TRADE

There has been no progress in the Doha Development Round and consultations to date have yielded no fundamental instructions to the Hong Kong Ministerial Meeting in November to advance the situation of developing countries.

NEW INNOVATIVE SOURCES

There have been many studies and proposals in this area, including the initiative of the President of Brazil on Action against Hunger and Poverty. We welcome all these initiatives, but note that none have yet reached a stage of agreement for implementation.

THE WAY FORWARD

Mr. President,

We need to be ambitious and determined in the face of:

- The assessment that we are not yet on track to fulfil the objectives of any of the development-oriented summits and conferences - largely due to limitations of financing; and
- Average annual net transfers of over US\$230 billion from developing countries to the developed countries.

It is not sufficient to set targets.

We must honour their implementation in a timely manner.

It should by now be abundantly clear to all of us that we cannot cross this chasm of development financing by any series of small steps.

We need to make a giant step.

Let us do so now.

I thank you.