

**STATEMENT BY AMBASSADOR BAGHER ASADI, CHAIRMAN OF THE GROUP OF 77
(ISLAMIC REPUBLIC OF IRAN), AT THE SIXTY-FIFTH MEETING OF THE MINISTERS OF
THE GROUP OF 24**

Washington, D.C., 28 April 2001

Mr. Chairman,
Distinguished Ministers and Governors,
Ladies and Gentlemen,

It is indeed a great honour for the Chairman of the Group of 77 to have the opportunity to address this august gathering of the developing world. Allow me at the outset to offer my sincere felicitations to you, Mr. Chairman, for your meritorious election to this high office and wish you and the other distinguished members of the Bureau every success in the course of your tenure of office. I should also avail of the opportunity to pay tribute to the outgoing Chair, H.E. Mr. German Suarez, distinguished Governor of the Central Bank Of Peru, for his able leadership during the past year.

Mr. Chairman,

It is customary for all of us in the developing world in our meetings such as this one to address and assess the overall world economic situation, particularly in so far as relates to the development and welfare of the developing community – the bigger part of the human community. Well, for quite a long, long time we have deliberated on the difficult situation out there in the real world for the developing countries and discussed the remedies required in this regard. As we all ruefully know, the still unfolding process of globalization uneven and asymmetrical as it is, has made the situation for the developing world all the more difficult and more challenging.

Having listened to three interesting and insightful interventions, I do not intend to engage in this statement today in an analysis of the overall situation we face in a fast globalizing and yet uncertain world or in our respective developing societies. I grant that we tend to share a generally common understanding of the situation, and certainly on the concerns, interests, expectations and demands. A through analysis of the world economic situation and what it entails for the developing countries as well as the long-term vision and the strategic perspective of the South are best reflected in the final outcome of the South Summit which was held last year in Havana, Cuba. The Summit Declaration and the Havana Programme of Action, as two negotiated documents, are rich and comprehensive and carry a potent message. With that reference, I would rather turn to the cherished tradition of common endeavours over the years to forge common approaches and coordinate common positions between the Group of 77 and the Group of 24. Within that broad framework, I would like to focus on one specific issue and process; that is, financing for development. This is an area with tremendous potential for progress and achievement should it succeed, a lot at stake and of course, far-reaching and long-term grave implications and consequences should it fail.

Mr. Chairman,

It was with a great sense of satisfaction that I listened yesterday morning at the Deputies Meeting to the deliberation on your Issue Paper on Financing for Development Conference. It is truly reassuring to witness such a clarity of understanding on the part of the Group of 24 of the significance of the process and its requirements as well as of the determination to help advance the cause of the developing world.

Having the unique opportunity to address the distinguished Ministers of Economy and Finance and the Governors of the Central Bank of the developing States Members of the International Monetary Fund, it

behoves me to share with you our perspective in the Group of 77 – as the sole universal deliberative body of the developing world – on the Financing for Development (FfD) process. As you all know, it has taken a very long time – over two decades, to be exact – for the international community to agree in its entirety to hold a high-level gathering on a global scale on this issue. At long last and following a rather difficult three-year process the decision has been arrived at the United Nations to hold, at the highest political level including a summit level, the International Conference on Financing for Development in April 2002 in Monterey, Mexico.

The process of intergovernmental deliberation on the substantive issues and agenda for this gathering was equally long, winding and tortuous. Yet, the following six overall themes have been identified for the substantive agenda of the Conference:

- (1) Mobilizing domestic financial resources for development;
- (2) Mobilizing international resources for development: foreign direct investment and other private flows;
- (3) Trade;
- (4) Increasing international financial cooperation for development through, inter alia, Official Development Assistance (ODA);
- (5) Debt;
- (6) Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

I should add right here that the inter-linkages between and among the substantive themes are well recognized and that they need to be addressed in the course of the preparatory process.

In light of the rather unique position of the Group of 24 vis-à-vis the Bretton Woods Institutions here in Washington, I deem it imperative to draw attention to the area of systemic issues and underline its particular significance in the whole process. In the view of the Group of 77 and China the existing institutional arrangements and international cooperation in these fields are lagging far behind the process of economic and financial integration at the global level. The steep asymmetry existing between the dynamic development of financial markets and the absence of suitable macroeconomic and financial governance at the global level is a serious challenge that should be addressed in earnest. Within the broad framework of the needed improvement in the global governance in this area, the questions of adequate representation and effective and meaningful participation of developing countries in the international economic, financial and monetary decision-making and norm-setting processes figure prominently. And at a more specific level, the existing international financial system should be strengthened in a manner to become fully responsive to the priorities of growth and development on a global scale, particularly in the developing countries and geared to the promotion of economic and social equity.

It might seem a tall order, and even a little too ambitious, at the first glance. Well, It might as well be, but there is a big difference this time around. The participatory nature of the still on-going preparatory process for the International Conference augurs well for the future of this historical enterprise of the international community. The fact that the Bretton Woods Institutions as well as the World Trade Organization have been involved, albeit to varying degrees, in the preparation of the Secretary-General's report and also that they participated in the February PrepCom and have further continued their exchanges with the FfD Bureau on a wide range of issues, is a welcome development and most definitely a still unfolding relationship that needs to be further consolidated and developed. It is a pleasure to have with us here Mr. Kohler and Mr. Wolfensohn and more so for encouraging words and a message of hope. And from our perspective in the Group of 77, we are committed to maintain and further strengthen the participatory nature of the process and are equally committed to a very open, honest and objective exchange of views with all the partners and stakeholders involved and active in the FfD process.

Over and above the question of inclusive international participation of all partners and stakeholders, I should also call attention to the all important question of coordination at the national level between the foreign affairs ministries directly involved with the international intergovernmental process under the UN auspices and finance ministries and central banks with policy and technical competence and authority. This is a critical area that needs to be addressed by all of us quite early in the process. I am indeed very happy to see that the Group of 24 is keen on the matter, and has raised it in the Issue Paper. The Group is certainly in a privileged position to make an invaluable assistance towards achieving coordination between the two sets of official interests at the national level in the developing countries. The proposed course of action in the Issue Paper, both in terms of the preparation of analytical, policy-oriented papers as well as in holding a two-day seminar for developing country representatives, is a very constructive proposal and a good step forward in the right direction. We in the Group of 77 welcome and support the proposal and stand ready to cooperate with you and the Group of 24 towards its realization. It deserves every support and I remain confident that the outcome of the effort would provide the FfD process with an additional set of input, another southern perspective, in addition to all other inputs that have so far been brought to the table or may emerge in the coming weeks and months.

To conclude, Mr. Chairman, let me express, on behalf of the Group of 77 and China, our deep appreciation to you and the Group of 24 for this opportunity. We in the Group of 77 look forward, with anticipation, to a much higher level of cooperation, and on a more institutionalized manner, between us. Together, we should be able to achieve much more, both in a general sense on a wide range of issues, and of more immediate concern and in fact quite urgently, as far as the FfD process is concerned. Personally, I am looking forward to see you and other distinguished Ministers and Governors in New York at the ECOSOC-BWIs High-Level Meeting, next Tuesday, May 1st.

Thank you very much, Mr. Chairman.