



STATEMENT BY AMBASSADOR STAFFORD NEIL, PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, IN THE GENERAL DEBATE OF THE SECOND COMMITTEE OF THE GENERAL ASSEMBLY (New York, 3 October 2005)

Mr. Chairman,

On behalf of the Group of 77 and China, I congratulate you and your Bureau on your election to guide the work of the Committee during this Session of the General Assembly.

I would like to thank the Under-Secretary General for the Department of Economic and Social Affairs, Mr. José Antonio Ocampo, for his usual thoughtful and concise analysis of global trends, the outlook for the international economic situation and prospects for advancing our development agenda.

Mr. Chairman,

The events of the past year, including the many reviews which culminated in the 2005 World Summit held last month, the natural disasters which have had devastating and unprecedented impact across the globe and persistent difficulties in some major economies reflects a highly inter-related, inter-dependent world at a cross-road between hope and despair. The path we take and the consequent outcome will depend significantly on the will and our vision to act for the collective good. I will now focus in this intervention on some of the important trends and developments, and the implications for international economic cooperation.

Global Economic Situation

Mr. Chairman,

The data for 2004 and 2005 present a picture of some uncertainty and instability in the global economic situation. The data could be interpreted as the beginning of a downward cycle or just a temporary lapse resulting from restrictive short-term adjustments. There is slowing of economic growth projected to be in the order of 3 percent in 2005 and 2006; there is upward trend in inflation and interest rates; rising oil prices principally resulting from increasing demand and supply disruptions; widening of global imbalances and growing inequalities even with improved economic performance.

At the same time, there is increasing foreign exchange reserves of developing countries being held in developed countries; strong export trade especially South/South trade; some recovery in the prices of some primary commodities in response to strong demand mainly in China and India; reduced debt stocks and the prospect of further debt relief from cancellation of the multilateral debt of some HIPC countries; an acceptance of the need to consider relieving the debt burden of non-HIPC countries; and the recovery of long term private investment flows.

Africa has begun to receive the focused attention its circumstances demand. Decisions have been taken to assist in enhancing the economic, social and political performance of Africa on the basis of African determined policies and programmes; to provide resources through a combination of debt cancellation and increase of ODA and to encourage private investment as well as to enhance the quality of aid. These are all positive. A major outstanding issue, however, relates to international trade policies and rules which, if made more development friendly, would create conditions for African exports to contribute at the level of their potential for the financing of African development.

Mr Chairman,

We note also the increased recognition of the particular needs and challenges of the LDCs, LLDCs, SIDS and the reaffirmed commitment of the international community to urgently address those needs and challenges through the full, timely and effective implementation of the Brussels Programme of Action, the Almaty Programme of Action and the Mauritius Strategy. Other low-income and middle-income developing countries are also in need of special attention. This has been evident in the statements and outcomes of the 2005 World Summit and the Annual Meeting of the World Bank and the International Monetary Fund. The challenge is to translate that recognition into actionable decisions.

The Millennium Development Goals

Mr. Chairman,

It was clearly demonstrated at the 2005 World Summit which focused on the implementation of the internationally agreed development goals including the MDGs, that many of the MDGs may not be achieved within the originally agreed timeframes. Reversing this trend will require greatly stepped up action in a range of areas. We are therefore pleased with some of the positive steps that have been taken in this direction such as:

- the commitment of some developed countries to timetables for achieving the 0.7 percent of GNP for ODA target by 2015 and the strong request to other developed countries to do the same;
- the decision to enhance the quality and effectiveness of ODA through action by donors to simplify and streamline procedures and to monitor their actual performance;
- the decision of the G-8 which has been accepted by the IMF and the World Bank to cancel the debt of 18 HIPC countries and the recognition that this needs to be broadened to the other 20 HIPC countries;
- the decision of the World Summit to address the debt of the non-HIPC low - and middle-income countries from the developing world;
- the commencement, although on a pilot basis, of some new sources for innovative financing; and
- the acceptance of Quick Impact Initiatives as a means of achieving some identifiable results and maintaining public interest and involvement.

The Broader Development Agenda

Mr. Chairman,

There has also been a welcome recognition that the MDGs, although critical, do not cover all the development goals. The 2005 World Summit has re-affirmed and has recommitted to the broad set of commitments and goals from the various development conferences and summits. We must also focus on the achievement of these goals.

While there have been positive developments in the last year, there have been some areas in which there has been little or no progress. I refer to global systemic issues and policies relating to trade, finance, technology and global economic governance.

Trade

Mr. Chairman,

There was a level of optimism in August 2004 when the "July Package" was accepted by Trade Ministers in Geneva. It had identified many of the critical areas of interest for developing countries. Regrettably, the process in Geneva has not progressed. Equally disappointing is the fact that the 2005 World Summit could not agree on a strong, clear message to the Trade Ministerial Meeting in Hong Kong on the need to fulfill the development dimension of the Doha Work Programme. I note that the Development Committee in its Communiqué of September 25 in stressing the importance of trade to the achievement of the MDGs has called upon developed countries to show leadership in moving forward.

The position of the G-77 and China on this issue is well known. We have spoken at length on the need for a trade system that is fair and just; one in which the comparative advantage of developing countries will not be undermined by the arbitrary and abusive use of non-tariff barriers; one in which special and differential treatment will be accorded to developing countries. We reiterate the call for the elimination of export subsidies by developed countries, enhanced market access for goods and services of developing countries in the markets of developed countries and the need for the integration of the development dimension in rule-making in the intellectual property regime to facilitate the transfer of technology and knowledge to developing countries. The trade related issues identified for the integration of small, vulnerable developing economies into the multilateral trading system should also be addressed.

Systemic Issues and Global Economic Governance

Mr. Chairman,

The nature of the global economic environment and the strong influence which international policies and institutions exert on the domestic policy environment and options of developing countries demand a greater participation by all countries in global economic decision-making.

The Bretton Woods Institutions and the World Trade Organisation have so far resisted any formal arrangement to allow for discussion and coordination of international policies in such areas as finance, trade and reform of the global financial architecture.

The 2005 World Summit has reaffirmed the role of ECOSOC under the Charter for coordination, policy review and policy dialogue on issues of economic and social development. It has specifically sanctioned the holding of a biennial high level development cooperation forum to review trends in international development cooperation and to promote coherence. This is a good basis for action.

In respect of voice and participation the IFIs have studied the issue extensively but at their meeting last month they have still given themselves another year. The situation in our view demands much greater urgency and with more compelling results.

Policy Space, Conditionalities and Coercive Measures

Mr Chairman,

It is asserted and accepted that each country has primary responsibility for its own development. Closely linked to this concept, is the recognition that countries, in particular developing countries, should be given the necessary policy space to determine their development policies and strategies without crippling political conditionalities being imposed as part of the terms for concessionary financing or for economic cooperation. Political conditionalities is inconsistent with the principle of national responsibility and undermine aid effectiveness.

Another undesirable element in the system is the continued use of unilateral coercive measures against developing countries. Such actions not only undermine the principles enshrined in the Charter of the United Nations and international law, but also threaten the freedom of trade and disturb the normal flow in international economic activity. It is wrong for economic power to be used in this way against developing countries. We continue to call for the elimination of such unjust and discriminatory policies which seek only to satisfy particular political agendas and impose hardship on the weak and vulnerable.

We should also seek to address the special circumstances of countries under foreign occupation. The peoples and countries so affected are not given the opportunity to achieve their development potential and to enjoy its benefits. If we are to advance the welfare of all peoples, the international community should take measures for the termination of foreign occupation, in accordance with the purposes and principles of the UN Charter and international law.

Capital Flows and Financing for Development

Mr. Chairman,

Since 1997 net capital transfers have been in favour of the developed countries. This has been an increasing trend over time and in 2004 reached an estimated \$354 billion in net capital transfers. These negative transfers have persisted, despite the commitments by developed countries to increase ODA, to reduce debt and debt-service payments, to open their markets to the products of developing countries and to encourage private investment in the developing world.

Increased capital flows and financing for development are crucial for developing countries. Such resources flows need to be significantly boosted as envisaged in the Monterrey Consensus. The five-year review process for the International Conference on Financing for Development will provide an opportunity for a renewed effort to advance this objective and the wider development agenda. In this regard, it is important that arrangements for this review conference be determined in the course of this session. The Group of 77 and China fully supports the offer of the State of Qatar to host this Conference in 2007 and we urge the General Assembly to accept this generous offer.

Technology

Mr Chairman,

The Group of 77 and China would like to see greater commitments of support better transfer arrangements and to build and strengthen the scientific and technological capacities of developing countries. We particularly endorse the

call in the Millennium Project Report for a global undertaking to attain this objective and to help build the productive capacity to drive the economic development of developing countries. We would hope that the decision of the 2005 World Summit Outcome is the beginning of efforts to promote such a goal.

Migration

Mr Chairman,

Greater attention has to be paid to the issue of migration. The High-level Dialogue to be held next year will provide an important opportunity to further explore the many dimensions, opportunities and challenges of migration. This is an issue to which developing countries attach particular importance as demonstrated by the recent offer of the Government of Peru to host an international conference on migration in April 2006.

An area in which we have a particular concern is that of reducing the cost of the transfer of remittances. We hope that there will be positive steps in taking such initiatives forward. The Report of the Global Commission on Migration, which will be officially presented to the Secretary General this Wednesday should provide a good basis for us to begin our preparations here in the Second Committee.

Sustainable Development

I would also like to reaffirm the commitment of the G77 to the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21 and the Plan of Implementation of the World Summit on Sustainable Development (JPOI). We attach great importance to the three pillars of sustainable development and to the need to address them in an integrated manner in order to provide a better living for our peoples. With the conclusion of the first cycle of the Commission on Sustainable Development the challenge ahead is to implement those policy options and practical measures in order to secure safe drinking water, sanitation and human settlements to all our citizens, with a clear support from our development partners. The next review session in the areas of energy, industrial development, pollution and climate change will be of particular importance as these are matters that require further development for improved international cooperation. The methods of work of the Commission should also be further reviewed in order to enhance the impact of our decisions. Mr Chairman, We note with concern the increased incidence of natural disasters and their destructive effects on the development of developing countries, in particular small and vulnerable economies. We therefore call for increased international assistance in the creation and strengthening of national, subregional, regional and international mechanisms for prevention, preparedness and mitigation of natural disasters and their effects, including through early warning systems as well as long-term rehabilitation and reconstruction. In this regard, we call on the UN system and the international community to work closely in fulfilling commitments to assist affected and disaster-prone countries and especially for their Governments and relevant authorities to receive the early-warning information in a timely manner for their effective utilization and diffusion. We further call upon the UN system and the international community to support the implementation of the Hyogo Framework for Action 2005-2015 in disaster-prone developing countries, including through financial and technical assistance, addressing debt sustainability and technology transfer.

Implications for the Work of the General Assembly and its Committees

Mr. Chairman,

Time to achieve the MDGs and the other development goals is short. The 2005 World Summit has agreed on a basic package of measures for development. They are not as substantive as the problem requires. The challenge before us is to complete this unfinished agenda and to devise the policies necessary to take forward the process of implementation.

This session of the General Assembly should make concrete and action-oriented decisions to facilitate urgent implementation across the range of areas. It is a challenge we should accept to give meaning and credibility to the commitments that have been undertaken. Much depends on action over the next five years. The General Assembly must be bold and it must demonstrate leadership.