



STATEMENT BY AMBASSADOR STAFFORD NEIL, PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, AT THE INFORMAL MEETING OF THE PLENARY OF THE GENERAL ASSEMBLY ON THE CONTINUATION OF THE EXCHANGE OF VIEWS ON FINDINGS AND RECOMMENDATIONS OF THE UNITED NATIONS MILLENNIUM PROJECT 2005 (New York, 10 February 2005)

Mr. President,

Opening Remarks

The Millennium Project Report which is before us has provided us with an impressive amount of information, analysis and recommendations on the MDGs. For this, we express our appreciation to Professor Sachs and his team for what is an important contribution to the ongoing discussions on global socio-economic development. The material is voluminous and we have found that while the Overview might give us an overall picture, it does not always fully reflect the deeper analytic perspectives in the more detailed parts of the Report or explain fully the rationale for the recommendations. As such, new points of detail are still emerging on which our Group will continue to reflect.

Overall Assessment

We commend the overall quality of the Report as a serious endeavour in analysing the challenges to achieving the MDGs and the means and requirements for reaching the targets by 2015. The Report provides us with a rich source of material on development issues as well as some creative practical solutions for consideration.

Although operating from a mandate restricted to the achievement of the MDGs, the Project Report has made a commendable effort to broaden the scope of its enquiry to encompass aspects of the more general development problem and to offer possible remedies. We are particularly encouraged by the positive treatment of trade and technology issues. It recognises the complexities and interdependence of the development process, the diversity of economic circumstances and the need for strategies and solutions to meet the needs of each particular situation. These approaches and the thoroughness of the analysis of existing and projected needs have produced some highly positive recommendations on how to take the process forward.

Status of Progress of MDGs

First, The Report concludes that the MDGs are achievable within the time frame, through a more intensified programme of economic co-operation in the global partnership. Its findings on the limited progress in several critical areas over the past 5 years strongly supports the imperative of moving more rapidly to make up lost ground in order to reach the targets over the next 10 years. Reaching that destination will not be easy but it can be done. The G-77 and China draws inspiration from the Report's optimism and its confident forecast.

Provision of New Resources

Second, the Report makes a convincing case for the mobilisation of substantial resources for meeting the targets. The calculations show clearly that domestic resources in the developing countries even in the context of rising government expenditures will fall far short of the actual requirements for the MDGs. There will be a significant financing gap estimated at \$73 billion in 2006 rising to \$135 billion by 2015. This means that global ODA would need to roughly double the existing levels for 2006, increasing to upwards of \$195 billion by 2015. The costings are carefully worked out and we believe they represent the minimum requirements for the task. We should emphasise, as the Report does, that overall ODA needs are much higher since the estimates cover only the resources needed to achieve the MDGs. The development challenge facing the developing countries is much larger. The development assistance priorities as agreed at other Global Summits and Conferences must also remain in our focus. We mention in particular the Almaty Programme, the Mauritius Programme, the Brussels Programme for the Least Developed Countries, and the Johannesburg Plan of Implementation.

We note that financing requirements for the MDGs could be met from an overall percentage contribution of 0.44% of donor countries GNI in 2006 rising to 0.54 in 2015. While we may accept the pragmatism of recommendation Number Seven, we are concerned about some implications of this mini-step approach and would emphasise that this approach should not in any way compromise the established target of 0.7 and the need for the implementation of the commitments to reach that target which is required in the context of overall development.

Development Strategies

Third, Mr. President, we support the Report's emphasis on the principle of national ownership with regard to establishing the priorities and strategies in country programmes. Whether they are described as Poverty Reduction Strategy Papers (PRSP's) or National Development Plans or Strategies, both policy design and implementation must be driven by local needs and circumstances and by decision-making at the national level. This will ensure that programmes are tailored to meet the needs of each country's socio-economic situation and are not the result of the imposition of economic models based on ideological and theoretical prescriptions. Within this framework, we can therefore generally support Recommendations 1, 2 & 3 on the basis that the areas identified in either instance are indicative methodologies and policy areas for the consideration of recipient countries. These include tackling poverty in all its dimensions and wherever it exists – in urban, agricultural as well as forest areas.

Good Governance

With regard to issues of good governance, developing countries accept and are committed to ensure accountability, transparency and the elimination of corrupt practices in the implementation of development programmes. In the spirit of global partnership, it is the expectation of developing countries that donors will also adhere to good governance in implementing commitments they have made, in respecting national sovereignty and in refraining from policies and practices which operate to the detriment of developing countries. We appreciate the Report's call for donor countries to evaluate their development, foreign and financial policies with specific reference to the Goals and that they should subject themselves to the same standards of transparency and coherence as they expect from developing country governments.

Improved Global Governance

This leads me to the issue of governance at the international level which in the Millennium Declaration was linked to governance at national level. The Report recognises the inadequacies of global economic management and decision-making and rightly concludes that major challenges of global policy co-operation need to be addressed in 2005. As the G-77 and China have stated on many occasions, the United Nations, in particular ECOSOC, has a responsibility for coordination and monitoring of global commitments. The challenge is to design machinery to enable the UN system to provide effective co-ordination and policy coherence and to monitor implementation. We are looking forward to bold and constructive proposals in the Secretary-General's Report to strengthen the UN system. We will make some proposals of our own at the consultations scheduled for February 22 nd.

Importance of Public Investment

Fourth, Mr. President, the Report stresses the importance of public investment and the overall role of the state. It points not only to the need for providing favourable macroeconomic, legal and regulatory frameworks for business growth but also calls for substantial investment in human and physical infrastructure, and the promotion of science, technology and innovation. The importance of public sector activities in the development process is one which is of particular importance in establishing the preconditions for capital development and growth. In this respect, the Report not only shows a proper balance in the roles of the public and private sectors but also a better understanding of the dynamics of the development process and the importance of long-term public investment. We give broad support to Recommendation Number Five which proposes a number of Quick Win programmes which are practical measures helping to lift living standards and stimulate economic growth. On Recommendation Number Six we endorse the need for coordination in infrastructural development at the national and where feasible at regional levels taking into account regional variations and differences.

Reform of Trade Regime

Fifth – the Report has made proposals on trade which have an important development orientation beyond issues of market access. The G-77 and China considers that liberalised trade regime should provide for fair trade with rules to accommodate the interests of developing countries including special and differential treatment and compensating adjustments in development assistance for loss of preferences. We support the need for special attention to the implementation of the Doha Work Programme, including the work on the small and vulnerable economies. We also welcome the attention given to the need to improve supply side capabilities to increase productive capacity and export competitiveness in developing countries. In the light of the importance of trade for development, we should stress also the importance of ensuring access of developing countries into the WTO.

Debt Relief and Resource Transfer

The Group of 77 and China is pleased that the Report has brought into sharp focus the inherent inconsistency in the treatment of the external debt crisis. The Report reaffirms that the Highly Indebted Poor Country (HIPC) initiative has not yielded the desired results. It points to a situation where creditors provide development assistance with one hand and withdraws it in debt servicing. Net negative transfers of over \$300 billion defeats the purpose of development co-operation and partnership. It is also important that greater attention be given to the impact of public sector debt on the absorptive capacity of developing countries to utilise development assistance and on their capacity to mobilise resources on the private capital market.

In our view, these inconsistencies and constraints call for deeper analysis and discussion within the UN, more especially in ECOSOC. If the lingering external debt crisis is to be resolved, we must bring a new attitude and an integrated approach to address the effects of debt servicing on indebted low and middle income countries.

Science, Technology Capabilities

Sixth, we welcome the recommendation for a global effort to build scientific and technological capacities to help to drive economic development and to forge solutions to scientific challenges facing developing countries. These initiatives would be applicable to all sectors and specially important for challenges in climate change and national disaster prevention and mitigation. Steps should be taken for this initiative to be placed within a specialised programme of implementation and be accompanied by measures to improve access to, and encourage transfer of modern, environmentally sound technology on preferential terms. Reform of the TRIPs Agreement might also be necessary to allow it to facilitate development and the objectives of the MDGs. These issues can be further elaborated in the World Summit on Information Technology to be held in Tunis.

Implementation

The Report has an ambitious but necessary programme of practical things to be done if the MDGs are to be achieved within the time frames. The big problem – the issue we have always wrestled with - is that of implementation or more accurately, the means for implementation. Commitments are made but, often, are not honoured. Table 10 in the Overview document shows the gap between promise and fulfilment. It has been with us for over 35 years since the ODA target was set. There is still no machinery or process yet devised to secure implementation. In the view of the G-77 and China, this will have to be one of the main issues tackled in the Secretary-General's Report. We believe that part of the solution lies in the strengthening of the UN machinery for monitoring and follow-up. We could look to ECOSOC to fulfil this role. Co-ordination in mobilisation of donor resources and improved operational management of country-level operations could become a more central part of the mandate of ECOSOC. This could be part of the implementation of Recommendation 10 of the Report with respect to the UN Development Group which has co-ordination arrangements at the country level, but currently there is need for better oversight arrangements at the inter-governmental level.

Conditionalities

Political conditionalities have been constraints to Development. The Report is not explicit in its position on this but our position is clear. The Group of 77 and China is opposed to conditionalities which restrict the policy options of developing countries. Developing countries need the policy space to select their own options in development policy. Political conditionalities should never be the price to be paid for development co-operation. We therefore must express some concern at illustrative references which might be seen as supportive of the conditionality arrangements of some bilateral donors and International Financial Institutions. That is why we have some reservations about Recommendation Number Four on the identification of "Fast Track" countries for scaled up assistance. We support the ideas of "quick win" actions and "fast track" mechanisms but the selection criteria must be transparent and objective and devoid of political considerations. The overriding goal should be to ensure sustainable development and the achievement of the MDGs. Further, the number of countries must be sufficiently large as to allow the programme to meet the overall targets.

Selective Classifications

In that context, we have to express concern at the classification and selective listing of countries based on politically biased views about governance, such as appears on page 43 of the Overview. This is not acceptable to the Group of 77 and China. Furthermore, we note that references are made to categories of countries not conforming to the established groupings within the UN setting.

Coercive Measures

One omission in the Report in the consideration of the shortfalls in achieving the MDGs is that of circumstances such as armed conflict and occupation as well as the negative impact of coercive measures and unilateral punitive sanctions against developing countries. These measures promote impoverishment and impede implementation of the MDGs and other intergovernmentally agreed goals. The Group of 77 and China is opposed to these measures which are contrary to the principles of the Charter and the spirit of global partnership.

Systemic Issues

Mr. President, as we contemplate the issues before the High Level Plenary at the 60 th Session, we must face squarely the need to take concrete and substantive decisions to promote development. We must consider the subject in its holistic substance and not simply within the confines of threats to peace or the realisation of the MDGs. We should consider the whole interlocking fabric of international economic relations with a view to removing systemic inequities. The fact is that poverty and its attendant maladies are symptoms of underdevelopment and as such have to be overcome by development itself. The Millennium Project Report has recognised this, going, as it does, beyond the narrow confines of the MDGs to deal with such critical issues as reform of the international trade regime; promotion of science and technology for development; the expansion of public investment; more generous and extensive debt relief; and the impact of debt service payments on developing countries. But there are other areas particularly within the international financial and monetary system which need reform and change not just to provide equity and wider participation in decision-making, but also to prevent crisis. The current imbalances in the system are staggering. One example comes from recent DESA publication The World Economic Situation and Prospects -2005. Net financial transfers from developing to developed countries have continued to increase over seven consecutive years, reaching record levels in 2004 of \$312 billion dollars. Perhaps these negative transfers may not mean that we are at the edge of disaster but surely, continuation of such trends will not contribute to a healthy global economy. We need to have greater financial flows to developing countries not just to eliminate poverty, hunger and disease. They also contribute to building new centres of global demand. Whether it is through official transfers or private capital an increased net flow of resources to the developing countries would contribute to stimulating global production and consumption and thus stimulate growth in the global economy.

Conclusion

These are all issues to be taken into account in comprehensively addressing the development question which we expect to be addressed in the Secretary-General's Report.

Thank you Mr. President.