



MESSAGE ON BEHALF OF THE GROUP OF 77 AND CHINA FROM H.E. MR. DIEGO MOREJON PAZMIÑO, AMBASSADOR AND PERMANENT REPRESENTATIVE OF ECUADOR TO THE UNITED NATIONS, CHAIR OF THE GROUP OF 77, TO THE NINETY-EIGHTH MEETING OF MINISTERS AND GOVERNORS OF THE INTERGOVERNMENTAL GROUP OF TWENTY-FOUR ON INTERNATIONAL MONETARY AFFAIRS AND DEVELOPMENT (Washington, DC, 12 October 2017)

Mr. Chairman, Excellencies, Distinguished Delegates,

On behalf of the Group of 77 and China I would like to express my appreciation for the invitation to this important meeting, with a view to enhance coordination between our groups from a wide array of activities within the United Nations system.

We take note with appreciation of the focus of today's meeting, namely "Growth, Employment and Structural Transformation", as those remain key drivers in achieving sustainable development and eradicate poverty in all its forms and dimensions, including extreme poverty. Industrial development is a critical source of economic growth, economic diversification, and full, productive and decent employment. Economic diversification can allow developing countries to achieve inclusive and sustained economic growth, an indispensable requirement for realizing our challenge of poverty eradication.

In this regard, we express concern about the significant impacts of the challenging global environment, which include not only economic factors, such as difficult macroeconomic conditions, low commodity prices, subdued trade growth and volatile capital flows, but also include natural disasters, adverse effects of climate change, environmental degradation, humanitarian crises and conflicts. The current global trajectory will not deliver the goal of eradicating poverty in all its forms and dimensions by 2030.

It is in this light that the Group would like to reiterate some key issues as follows:

(1) First, for growth to positively contribute to eradicating poverty in all its forms and dimensions, it is essential that economic and social policies focus, among others, on job creation and social inclusion, as this will reduce inequalities and aid in providing social protection. Furthermore, we underscore the need to invest much more, as a catalyst to sustained, inclusive and sustainable economic growth, in infrastructure, interconnectivity, productivity and basic services as quality health-care services and education while also ensuring that all people, including women, youth, the elderly, persons with disabilities, migrants, indigenous peoples and people in vulnerable situations, have access to resources and opportunities.

(2) Second, developing countries are the most affected by lack of sustainable and resilient infrastructure, while facing serious financing challenges due to insufficient access to resources, both from the public and private sector, resulting in a wider global infrastructure gap. The leading role of multilateral and regional development banks is critical to provide financing resources to bridge this gap, including the US\$1 trillion to US\$1.5 trillion annual gap in developing countries, by means of enhancing access to and improving quality of infrastructure services which are environmentally, socially and economically sustainable.

(3) Third, International Development Cooperation, especially North-South Cooperation, is still the main channel of financing for development and important catalyst to economic growth. In this regard, we urge developed countries to fulfill their Official Development Assistance (ODA) commitments. We also urge International Monetary Fund (IMF), World Bank Group (WBG), and other relevant organizations to increase their support to countries' policies and projects to achieve inclusive and sustainable growth, and to realize the SDGs.

(4) Fourth, external debt affects country's economic growth and has direct linkage to country's capacity to achieve its development goals including the SDGs. We thus stress the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate. We welcome the efforts of the IMF and WBG to promote debt sustainability and timely and orderly debt restructuring, as well as to address potential hold out problems for sovereign debt.

(5) Fifth, illicit financial flows, tax avoidance and evasion, and money-laundering, pose a significant impediment on developing countries' capacity to mobilize domestic resources for the implementation of the 2030 Agenda. In this regard, as there is still no single inclusive forum for international tax cooperation, the Group restates the need to fully upgrade the Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body.

(6) Sixth, international trade is still recognized as an engine for growth and sustainable development, despite a regression by 10% in 2016. In this regard, we express our deep concern at the increase in protectionist rhetoric and tendencies, while emphasizing the importance of strengthening the multilateral trading system and increasing the contribution of trade to our economies in order to make trade more free and fair. We reiterate the need to establish and uphold a universal, fair, rules-based, open, pro-development, non-discriminatory, inclusive and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly for developing countries. Fulfilling the commitments of the ministerial decisions of WTO for duty-free and quota-free market access for all products from all least developed countries and the least developed country-friendly rules of origin regime is urgently needed to reverse the decline in the global trade share of those countries.

(7) Seventh, the realities of the 21st century call for a reform of the international financial architecture, including a properly regulated international financial sector to reduce and discourage speculative investment. The reform should also include a reform of the Bretton Woods institutions, in particular their governance structures, based on full and fair representation of developing countries, to improve their legitimacy. It is needed to further broadening and strengthening the voice and participation of developing countries in international economic decision-making, norm-setting and in global economic governance.

Mr. Chairman,

In conclusion, we reiterate our determination to strengthen long-standing and close coordination with G24 with the view to consolidate common positions of our Groups. G24 and G77 and China need to coordinate closely on the diverse range of cooperation areas to achieve inclusive and sustainable growth which is crucial to the attainment of our development objectives. It is imperative to make our pledge not to leave no one behind a reality.

I thank you.