



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. KHALED HUSSEIN ALYEMANY, MINISTER PLENIPOTENTIARY, MISSION OF THE REPUBLIC OF YEMEN TO THE UNITED NATIONS, ON AGENDA ITEM 24: ERADICATION OF POVERTY AND OTHER DEVELOPMENT ISSUES, AT THE SECOND COMMITTEE OF THE 65TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 21 October 2010)

Madam Chairperson,

1. I have the honour to deliver this statement on behalf of the Group of 77 and China. The Group thanks the Secretariat for the reports under agenda item 24 entitled "Eradication of poverty and other development issues", as it provides useful information for our deliberations.

Madam Chair,

2. Eradicating poverty is one of the greatest global challenges facing the world today, particularly in Africa and in the least developed countries. The global nature of poverty and inequality, requires a multifaceted and integrated approach that addresses its economic, political, social, environmental and institutional dimensions, as well as its root causes, at all levels.

Madam Chairperson,

3. The economic and financial crisis of the past two years has deepened the challenge of poverty reduction by, among others, slowing growth in many low- and middle-income economies. Global GDP growth fell from 3.8 per cent in 2007 to 2.0 per cent in 2008, and fell further to -2.2 per cent in 2009. As a result of the drop in incomes, an estimated 50 million additional people were left in extreme poverty in 2009, and 14 to 15 million more people will be below the poverty line in 2010 compared to what would probably have been the case if economic growth had not stalled. According to the World Bank, 64 million more people are expected to be living in poverty because of the crisis, most of them in developing countries, placing the number of chronic hungry people in the world at 925 million.

4. The ongoing economic and financial crisis has also turned into a global jobs crisis, pushing the rates of unemployment to significantly higher levels. This has negatively affected the poor and the most vulnerable in particular. The International Labour Organization estimates that 31 million people lost their jobs or may be unable to find full time employment in developing countries because of the crisis. According to the Secretary-General's report A/65/230, in 2008, some 633 million, namely 21.2 per cent of the world's workers, lived with their families on less than \$1.25 a day and, in 2009, that number increased by up to 215 million, including 100 million in South Asia and 28 million in sub-Saharan Africa. This suggests that up to 7 per cent more workers were at risk of falling into poverty between 2008 and 2009.

Madam Chairperson,

5. Macroeconomic policies should be aimed at sustaining high rates of economic growth, full employment, poverty eradication, and low and stable inflation, and seek to minimize domestic and external imbalances to ensure that the benefits of growth reach all people, especially the poor. They should also be designed to avert abrupt economic fluctuations that negatively affect income

distribution and resource allocation.

6. Microfinance, in particular microcredit programmes, has succeeded in generating productive self-employment and proved to be an effective tool in overcoming poverty and reducing the vulnerability of poor people to crisis and has led to their growing participation, in particular the participation of women, in the mainstream socio-economic and political processes of society. In this regard, inclusive financial sectors can offer appropriate microcredit services and products to poor people under an affordable interest rate which has recently become an issue of concern in some countries.

Madam Chairperson,

7. The international community must continue to give priority to the eradication of poverty and donor countries should support national efforts of developing countries in this regard, through adequate, sustainable and predictable financial resources on either a bilateral or a multilateral basis.

8. The G77 and China reiterates the need to meet, in an expeditious manner, the internationally agreed targets for ODA of 0.7 per cent of GNP of donor countries to developing countries and of 0.15 per cent to 0.2 per cent of GNP to the least developed countries by 2015. We reiterate the call for the establishment of an effective monitoring mechanism to ensure that the internationally agreed ODA targets, most recently those established for Africa, are met.

9. The G77 and China reiterates as well the commitment taken by our Heads of State and Government in the September 2005 World Summit Outcome document to operationalize the World Solidarity Fund, and call in this regard for the mobilization of financial resources in order to enable an effective contribution of the World Solidarity Fund to the achievement of the development goals, including the MDGs, particularly poverty and hunger eradication.

10. The G77 and China calls upon the United Nations system and other relevant stakeholders to fully maximize the role of microfinance instruments, including microcredit for poverty eradication and especially for the empowerment of women and rural populations, and to ensure that best practices in the microfinance sector are widely disseminated. We also emphasize the need to adopt policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote access to sustainable financial services, the removal of institutional and regulatory obstacles, the promotion of financial literacy and the provision of incentives to microfinance institutions that meet national standards for delivering sound financial services to the poor.

Madam Chairperson,

11. For the G77 and China industrialization remains an important factor in sustained economic growth, sustainable development and eradication of poverty in developing countries, as well as in wealth creation, the development and strengthening of productive capacities, and the facilitation of social integration, including the integration of women into the development process.

12. We therefore wish to underline the essential role of sustainable industrial development as well as industrial development cooperation for the achievement of the internationally agreed development goals, including the Millennium Development Goals, and call upon the wider international community to lend its full support towards attaining this objective.

Thank you.