



STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. MR. ABDULLAH MOHAMED ALSAIDI, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF YEMEN TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, AT THE FOURTH HIGH-LEVEL DIALOGUE ON FINANCING FOR DEVELOPMENT (New York, 23 March 2010)

Mr. Chairman,

1. Allow me on behalf of the G77 and China to thank your Excellency, the Secretary-General and the UN system for the resolute commitment to development. This fourth High-Level Dialogue on Financing for Development and its focus on "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead", demonstrate the will and resolve of the international community and its multilateral system.
2. The G77 and China attaches to the topic of Financing for Development special priority and expresses its commitment to participate constructively in today's discussions as well as in future negotiations.
3. The world economy may no longer be shrinking quite as fast as previously predicted, but we should not ignore the fact that the negative impact of the crisis is far from over. It may well be argued that its full effect remains to be seen, especially in developing countries. Even as analysts assure us that the world economy might be showing signs of recovery, unemployment and underemployment are on the rise worldwide, affecting the livelihood of millions of people in the developing world. If the international community fails to contain the effect of the crisis and address its roots once and for all, the world will face unimaginable and immeasurable consequences.

Mr. Chairman,

4. The Monterrey Conference of 2002 is registered as one of the successes of the United Nations in development matters. Although at first there was a strong resistance to allow the United Nations to engage in financial matters, this resistance was overcome, in light of the irrefutable argument that the UN had a legitimate role to play in the process of development as stipulated in its Charter.
5. The Monterrey Consensus is in fact an important step forward for a working partnership between the United Nations and multilateral financial institutions. However, the space won in Monterrey and then reiterated in Doha has eroded. There is a need for a robust follow-up mechanism that goes beyond official meetings.
6. The G77 and China actively participated last week in the ECOSOC spring meeting with the BWIs, UNCTAD and WTO. Although significant progress was made in this meeting, as discussions were more interactive and we all agreed that we need sustained engagement, the level of representation, however, signals the gap that still persists between New York and Washington.
7. The fourth High-Level Dialogue will emphasize the need to reform the international monetary and financial system and its implication for development, the damaging impact of the current financial and economic crisis on the flow of direct investment, external debt, and international trade. The meeting will examine innovative sources of development finance, in leveraging the mobilization of domestic and international financial resources for development.

8. Let us briefly review the performance in light of the indicated areas of action in the Monterrey Consensus of 2002 and Conference on the World Financial and Economic Crisis and its impact on Development of June 2009:

- Developing countries have been forced to invest significant resources to service and reduce debt and in assets in developed countries, to protect their currencies in an unsupportive and unstable international monetary and financial environment; The Group reaffirms the need for fulfillment of the donor's commitment to allocate 0.7 per cent of their GNI to developing countries.
- The reforms of the global governance structure, and the coherence required for the policies of various international bodies to complement and facilitate the policy reform by the developing countries have not occurred. The Group of 77 and China expects a fundamental role for the United Nations in this process. In this context, we attach especial importance to Ad-hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the outcome document of the Conference on the World Financial and Economic Crisis and its impact on Development.
- Although, the scope of the Monterrey process and the follow-up of the Conference on the World Financial and Economic Crisis is not the same, there are significant convergent points between them. Thus it is important to look into the two processes from the perspective of financing for development.
- The G77 and China is committed to continuing the discussions regarding the follow-up mechanism of financing for development as agreed in the resolution adopted in the 64th session of the General Assembly. Achieving a more effective intergovernmental inclusive process to carry out the financing for development follow-up is vital to achieve our development. This process should get the full attention and visibility it deserves, to monitor and insure timely implementation of the decisions we made in Monterrey and Doha.

Mr. Chairman,

9. Developing countries, especially the most vulnerable and least developed, need to generate liquidity for development and to be granted aid and advanced schemes which are viable and sustainable for the management of debt, with the objective of liberating resources for development.
10. We have to underline the interaction between the FfD and the MDGs especially that linked to MDG 8. The Doha Declaration underlines the need to mobilize financial resources for development to achieve the internationally agreed development goals.
11. The multiple impact of the crisis had aggravated the structural fragilities and imbalances. For that reason, we believe it should be addressed through a common long-term strategy that consider, among others, market access, technology transfer, financing for mitigation and adaptation measures in climate change, food insecurity, external debt and related problem.
12. The Group considers trade to be a vital tool to provide long term sustainable growth. In this regard, we call for the conclusion of the Doha Round to prevent future crisis and secure development gains made before the crisis from erosion. Subsidies, particularly in agriculture sector have a direct impact in our countries, especially affecting the most vulnerable farmers. We also consider it essential that the 0.7 % ODA commitment be reached. Moreover we attach importance to the issue of innovative sources of financing.

Mr. Chairman,

13. Before I conclude, it is worth mentioning that reform of the global economic governance issues, is a prerequisite for many other changes in the international financial architecture. International financial institutions need democratic, responsive and accountable governance reflecting the realities of the twenty-first century. We have learned last week, in the ECOSOC meeting, that the reform of the IFIs is proceeding, suggesting an increase of at least 3% in voting power for developing and transitional countries. However, many developing countries have maintained that shifts should be no less than 7%. We reiterate that voice reforms are essential and that development needs are required to be placed at the centre of the international financial institutions.

14. Finally Mr., Chairman. I would like to reiterate the readiness of the G77 and China to constructively and substantively interact in this process in order to give Financing for Development the importance it deserves.

Thank you.

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