



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. MARCELO SUAREZ SALVIA, MINISTER, PERMANENT MISSION OF THE ARGENTINE REPUBLIC TO THE UNITED NATIONS, ON AGENDA ITEM 18 ON INNOVATIVE MECHANISMS FOR FINANCING FOR DEVELOPMENT AT THE SECOND COMMITTEE OF THE 66TH SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY (New York, 13 October 2011)**

Mr. Chairman,

1. The G77 and China welcomes the opportunity to exchange views on innovative sources of financing, takes stock of the progress achieved so far and explore new initiatives and proposals in the area of innovative financing for development.
2. As we have previously stated, the Group believes that innovative mechanisms of financing can make a positive contribution in assisting developing countries to mobilize additional resources for financing for development on a stable, predictable and voluntary basis.
3. We firmly believe that it is important that such financing should be disbursed in accordance with national priorities of developing countries, should neither substitute nor negatively affect the level of traditional sources, and should not unduly burden them.
4. The G77 and China also recognizes the considerable progress made since the Monterrey and Doha Conferences on Financing for Development on the issue of innovative sources of financing and innovative programmes linked to them. We acknowledge that a number of initiatives have become a reality or are in an advanced stage towards implementation. Moreover, we note that those initiatives are extensive and varied, including issues with widely different nature and scope. In that regard, as was indicated in the Report of the Secretary-General, a precise and agreed definition and scope of the concept is needed in order to have an appropriate reference point and a framework for discussion.
5. However, taking into consideration that the work in this issue is expanded and new initiatives on innovative sources of financing are undertaken. It is important to highlight that priorities remain focused, namely, on providing additional, stable and supplementary resources to traditional development financing in addition to ODA. Only in that way, these mechanisms can have a positive role in contributing to the achievement of the internationally agreed development goals, including the Millennium Development Goals. The G77 and China considers that more discussion is needed on the relationship on innovative financing and Official Development Assistance and its impacts on development outcomes.

I thank you.