



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
AMBASSADOR BYRON BLAKE, DEPUTY PERMANENT REPRESENTATIVE
OF ANTIGUA AND BARBUDA TO THE UNITED NATIONS, IN THE INFORMAL
REVIEW SESSION OF THE GENERAL ASSEMBLY ON CHAPTER (I) OF THE
MONTERREY CONSENSUS "MOBILISING DOMESTIC RESOURCES FOR
DEVELOPMENT" (New York, 14 February 2008)**

Co-Facilitators,

I am pleased to make this statement on behalf of the Group of 77 and China, as we begin this process of preparation for the important Conference to review all aspects of the implementation of the Monterrey Consensus on Financing for Development to be held in Doha, Qatar, from 29 November to 2 December 2008.

The Group of 77 and China wishes to thank the President of the General Assembly for establishing this comprehensive process of analysis, reflection and forward thinking on a matter of fundamental importance to the sustained economic growth and sustainable development of all its members. The developing countries invested tremendous resources and energy in the negotiation of the Monterrey Consensus because of the importance to them of accelerating development and the challenges they face in mobilizing and retaining the level of resources, financial and human, required to achieve the rate and quality of development necessary to deal with the development gaps they confront.

The Group of 77 and China wishes to emphasise the comprehensive nature of the review. The President has provided a roadmap to review the six substantive chapters action areas of the Monterrey Consensus. We wish, however, to draw attention to the fact that these six action areas are set and have meaning only in the context of the nine paragraphs in Section (I), "Confronting the Challenges of Financing for Development: A Global Response". In these opening paragraphs, the leaders of the world established the mission and the philosophic and substantive approaches to its achievement. Their joint mission or goal as clearly stated in paragraph 1 "is to eradicate poverty, achieve sustained economic growth and promote sustainable development." It was to that end that they "resolved to address the challenges of Financing for Development around the world, particularly in the developing countries." It was to that end that all the leaders, using the composite term "We" committed themselves to "sound policies, good governance at all levels and to the Rule of Law" and to "mobilizing domestic resources, attracting international flows, promoting international trade as an engine for development, increasing international financing and technical cooperation for development, sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems."

It should be recognized that while some developing countries have exhibited dynamic economic performance, many countries remain mired in the vicious circle of poverty, lacking productive capacity and supply side constraints; dependent often on a single commodity; vulnerable to external economic turbulence, and unattractive for commercially driven investment. Many, if not most, are far from achieving the MDGs.

Co-Facilitators,

The Monterrey Consensus is a carefully designed package with clearly identified obligations

and responsibilities. It is premised on all parties meeting their obligations. It recognizes crucially, however, that while developing countries have the primary responsibility for their development, their "national development efforts need to be supported by an enabling international economic environment." It also recognizes that "developing countries and countries with economies in transition face special difficulties in responding to the challenges and opportunities made possible by globalization and that policies and measures formulated and implemented at the national and international levels should be designed to ensure "the full and effective participation of developing countries and countries with economies in transition."

The Group of 77 and China recognises that the President of the General Assembly, quite correctly, did not provide for a review of the overarching section of the Monterrey Consensus. Correctly, because there is no possibility of changing them going forward until the goal has been achieved. But the Group of 77 and China considers it imperative for us to be sensitised to these paragraphs and for the review and more so proposals for future action to be conditioned by them. The charge by the leaders at the end of paragraph 8 that "collective and coherent action is needed in each interrelated area of our agenda, involving all stakeholders in active partnership" must be the guiding principle across the review of all chapters.

Co-Facilitators,

Against that background, the Group of 77 and China recognizes that in chapter one, "mobilizing domestic financing resources for development", developing countries were charged with enhancing the internal environment for domestic resource mobilization through, among other measures, macro-economic policy reforms, strengthened macro-economic and fiscal management, reform of legal and regulatory systems, increased investment in economic, physical and social infrastructure; the strengthening of the financial infrastructure and the provision of access to credit particularly to micro, small and medium-sized enterprises; increasing public and private savings and strengthening governance and intensifying the fight against corruption. Having said that, there is no one-size fits all approach and in this context, the concept of national ownership cannot be over emphasized.

The performance of developing countries in these areas has been reviewed not only by developing countries but by a number of international organizations and agencies including the United Nations whose Secretary-General provides annual reports, the World Bank, the International Monetary Fund and UNCTAD, Non-Governmental Organisations and scholars. There is significant consensus that developing countries, as a group, have made progress in most of these areas. To illustrate:

- The UN Secretary-General has stated in his August 2007 report to the General Assembly, A/62/217, that since the adoption of the Monterrey Consensus "Macro-economic management, and with it fiscal management, has improved marketly in the majority of developing countries" and that "there has been progress in many countries in financial sector development, in particular in promoting a more inclusive financial sector and enhanced financing for small and medium-sized Enterprises. Social expenditures, per capita are on the rise..."
- Developing countries have continued to strengthen their development planning and programming and many have promulgated poverty reduction strategy papers (PRSPs).
- Developing countries have continued their efforts at fighting corruption and promote good governance through a number of international, regional as well as national mechanisms and initiatives. In this regard a number of these countries have signed and ratified the UN Convention

against corruption.

- Average savings rate in relation to Gross Domestic Production (GDP) has increased in East Asia, Latin America, South Asia and Sub-Saharan Africa while inflation rate has decreased since the Monterrey Consensus. This is indeed a wide range of developing from all continents.

Co-Facilitators,

These are only indicative but they reveal positive achievements by developing countries. These results have been achieved in a context in which among others:

- The international environment has not been propitious. There has been little, if any, progress on major international commitments such as the Doha Development Round of Trade Negotiations, in facilitating asset recovery and in stabilizing global financing markets; ODA for development has been declining; many developed countries have been systematically recruiting the highly trained and skilled persons from developing countries while increasingly restricting the movement of the unskilled and semi-skilled; and developing countries have had to invest significant resources to insure their currency value and in international security;

- Policy space for action by developing countries has remained constrained and conditionalities attached to external resources have remained strong in spite of general acceptance that they are counter productive and should be abolished; and

- There has also been little progress in responding to the special charge of paragraph 19 of the Monterrey Consensus to address the special needs of Africa, the Least Developed Countries, Small Island Developing States and Land Locked Developing Countries and also the commitment to address the needs and challenges of countries emerging from conflict.

Co-Facilitators,

There are many other issues to be raised as we review this Chapter which delegations will be advancing given the time constraints for this presentation.

I thank you.