

STATEMENT BY MSUYA WALDI MANGACHI, MINISTER PLENIPOTENTIARY, ON BEHALF OF THE GROUP OF 77 AND CHINA, AT THE OPENING SESSION OF THE FIFTH SESSION OF THE COMMISSION ON SUSTAINABLE DEVELOPMENT

New York, 8 April 1997

Mr. Chairman,

On behalf of the Group of 77 and China, I should like to congratulate you on your election to preside over this important meeting. We are convinced that under your able leadership, the proceedings of this meeting will be conducted efficiently and reach useful conclusions. In the same vein, we should also like to congratulate the members of the bureau for their well deserved election.

The main purpose of this Ministerial Session of CSD-V is to prepare for the UNGASS scheduled for June 1997, on overall review and appraisal of Agenda 21 implementation - five years after Rio. Being the main outcome of UNCED, Agenda 21 was defined as a programme of action for sustainable development worldwide. It is thus clear that UNGASS is a unique opportunity to renew our commitments towards environment and development.

The General Assembly resolutions on the convening of a Special Session for the review of UNCED and Agenda 21 (Resolutions 47/190, 50/113 and 51/181) stressed the scope in which this exercise shall be carried out. In particular these resolutions made it clear that there should be no negotiation of the outcome of UNCED or other intergovernmental agreements in the field of sustainable development. The Group of 77 fully upholds the guideline given by the General Assembly on the mandate of UNGASS.

Five years ago at Rio, there was an upsurge of optimism about a new era of global partnership, where the developed countries and the international community would help the developing countries to move towards sustainable development by providing financial resources and enabling easier technology transfer. The developed countries would also put their environmental house in order through more sustainable production and consumption patterns. In this context, the developing countries would have more development space with which to improve their people's living standards, and simultaneously attempt to have more environmentally sustainable practices.

On the above basis, the developing countries hoped that UNCED would lead to practical actions and significant results in sustainable development given the integrated approach and conceptual recognition of the environment development link implicit in the Rio package.

The main issues negotiated at Rio were financial resources and technology transfer. The commitment in Rio by developed countries to move as quickly as possible to augmenting aid levels to 0.7% of their GNP became the embodiment of the Spirit of Rio and global North-South partnership.

Despite the pledges of aid increases at UNCED, the OECD countries' aid to developing countries fell both in volume real terms and aid as a ratio of GNP. The aid decline is inevitably seen as a lack of commitment and sincerity of the governments of developed countries to implement the Rio Agreement. In this regard, at the UNGASS, developed countries should reaffirm their commitments to reach the accepted UN target of 0.7 per cent of their GNP to increase their aid programmes in order to reach that target by the year 2000.

Furthermore, there are moves by some countries to downgrade the need for aid, by stating that an increase in private financial flows and investments will take care of the problem of financial resources. This is a fallacious argument. Firstly, although a small minority of developing countries, mainly those already growing

fast, are able to attract FDI, very little FDI or none at all is going to the poorer countries which need resources the most. Secondly, a large portion of the private financial flows are short term and speculative in nature, and thus cannot be relied on for financing sustainable development. Thirdly, FDI focuses on money-making projects, and there is still a need for public funds for sustainable development programmes such as environmental protection, low cost housing and health care provision.

An increase of FDI flows to developing countries is important but there is a need to ensure that FDI flows reach as many countries as possible including marginalized regions such Africa and other LDCs. Furthermore, it should be ensured that FDI funds are invested on a long terms basis. In this regard, short-term speculative FDI's should be penalized and incentive be given to long term FDI's. The relationship between FDI and sustainable development should also be defined with a view to establishing provisions for a multilateral regime for FDI to assist the pursuit of environmentally sustainable development, in particular in the developing countries.

Concerning financial mechanisms to provide additional resources for environmental programmes and projects, the Group of 77 feels that the capital of 2 billion dollars provided to GEF over a three year period is insufficient given the challenge of placing future global development on a sustainable path. There is thus a need to increase GEF's capital as well as improvement in its disbursement terms for developing countries. In addition UNGASS should consider the establishment of funding mechanisms for each environmental convention. This would ensure the equitable implementation of all environmental conventions without selectivity.

The Group of 77 argued at Rio that there should be a more equitable economic order through better terms of trade for developing countries' commodity and other exports, through a resolution of the debt crisis and through reforms to trade and financial institutions. If these measures are taken, developing countries would be enabled to increase earnings and reduce the need for aid. The UNGASS should thus revive the debate on these issues, together with undertaking measures to reverse the outflow of resources from developing countries to developed countries. In particular much more needs to be done to resolve the external debt problem, especially in the LDCs, low income and heavily indebted middle-income developing countries.

On technology transfer, we are also disappointed by the lack of real progress in this area. In fact, since Rio, there has been much greater emphasis on the rights of holders of intellectual property, mainly as a result of Uruguay Round's TRIPs Agreement. The stress of IPR protection at the expense of technology transfer has, like the decline of aid, denied the post-UNCED process of its key factor, since technology transfer was the second plank of what was seen as developed countries' commitment to facilitating sustainable development.

The Group of 77 is of the view that responsibility for technology development cannot be confined to market forces alone, nor can market approach be relied on to assure that such technologies become widely available and used. We reiterate our suggestions that publicly funded technology R&D projects be initiated, including establishment of regional technology centres, to develop new or adapt existing technologies in developing countries. Furthermore, a clearing house should be created for ESTs. Patent rights and licences should be acquired and paid for by the international community so that these can be made available for transfer to developing countries on concessional and non-commercial basis.

The eradication of poverty and hunger, greater equity in income distribution and human resource development remain major challenges especially in developing countries. An effective strategy for tackling the problems of poverty should be incorporated in all environmental projects and should inter alia be aimed at enhanced health care and education, the rights of women, the role of youth and local communities. Solving the basic needs of these groups, particularly food and their energy needs, would reduce problems such as deforestation, land degradation, water resources etc. Hence it is important to ensure that more assistance is directed towards poverty eradication programmes, in the developing countries.

The new global economic regimes within WTO, have major implications for developing countries. The Uruguay Round Agreements of 1993, and the paradigm they represented turned out to be more powerful than UNCED agreements of 1992 and the partnership approach which they promised. Indeed, in the past five years, the liberalization free-market paradigm, that gained prominence and pre-eminence, has overshadowed the sustainable development partnership paradigm.

The UNGASS should re-emphasize the UNCED approach which represents a proper paradigm for international cooperation; that of consensus-seeking, incorporating the needs of all countries, partnership in which the strong would help the weak, integration of environment and development concerns, the intervention of the state and the international community on behalf of public interest so as to attain greater social equity and bring about sustainable development.

Developing countries are convinced of the importance of pursuing policies of sustainable development and of managing their natural resource base on a sustainable basis. What needs to be discussed is what can developing countries do, first, on their own individually and via South-South cooperation and second, what can the international community, the developed countries and the multilateral institutions offer in the context of North-South relations.

We should like to conclude by stressing that a solution needs to be urgently found for the cross-cutting issues raised in our statement, in particular those of financial resources, transfer of technology, the creation of a favourable international economic climate, poverty eradication and enhancement of the North-South partnership and international cooperation in dealing with all environmental issues.

If it becomes universally accepted that even aid is no longer an option, then one can predict that discussions on international cooperation will collapse, and what will remain is the call for each country to find its own resources, if it can, and do whatever it can or wants. This will surely kill the dream of "sustainable development" especially in the developing countries.

I thank you.