



**GENERAL STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY
FINANCE MINISTER NHLANHLA NENE OF SOUTH AFRICA, CHAIR OF THE
GROUP OF 77, AT THE THIRD INTERNATIONAL CONFERENCE ON
FINANCING FOR DEVELOPMENT (Addis Ababa, Ethiopia, 14 July 2015)**

Mr President,

I am very pleased to deliver this statement on behalf of the Group of 77 and China.

At the outset, the Group would like to once again acknowledge and appreciate the leadership role played by the Co-Facilitators in the preparatory processes towards this the Third International Conference on Financing for Development. We thank the Ethiopian Government for hosting this Conference and for the generous hospitality extended to myself and the whole G77 and China membership since our arrival in this beautiful country. Ethiopia is a country of great importance, both historically and in relation to the re-awakening of Pan-Africanism in the Twentieth Century, and we are honoured to be here.

Mr President,

The huge symbolism associated with hosting this Financing for Development Conference on African soil, for the first time, must surely resonate with us all. This is why achieving an ambitious and meaningful outcome that we can all be proud of, especially in the context of financing the development needs of all developing countries, is so important for the G77 and China.

We meet in Addis Ababa at an important juncture in assessing the progress that developing countries are making towards development. Over the last decade, many developing countries have made good progress in growing their economies and in reducing poverty. This has been achieved because of a strong commitment by the leaders and the general population of developing countries to difficult structural reforms that could only be implemented with a strong will for development. Unfortunately, the consequences of the difficult global economic environment stemming from the global financial crisis of 2008 have eroded many of the gains that were made, however.

Mr President,

The preparatory process for this Conference was long and demanding. Throughout, the Group was steadfast in its resolve and commitment to engage in a positive and constructive spirit. It was with this spirit of goodwill that we approached the process with the highest level of flexibility. We demonstrated this flexibility on a number of issues in the text that are important for the Group.

We therefore, trust that the outcome of this Conference will galvanize all of us in working towards a fundamental common objective, which is to eradicate poverty in all its forms, while foregrounding the importance of North-South Cooperation as central and critical in dealing with the developmental bottlenecks and shortcomings of developing countries.

Mr President,

The Group of 77 and China would like to emphasize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, least developed countries (LDCs), landlocked developing countries (LLDCs) and Small Island

Developing States (SIDS), as well as the specific challenges facing middle-income countries (MICs). With regard to the important question of countries and people living under foreign occupation, we re-affirm the importance of the principles of sovereignty and the due recognition of borders. Our position with regard to this issue as it related to the current text is premised on the understanding that the language would be maintained in the Post-2015 Development Agenda.

The Group would like to mention that it is also critical to support the implementation of relevant strategies and programmes of action, including the Istanbul Declaration and Programme of Action, the S.A.M.O.A. Pathway, the Vienna Programme of Action for LLDCs and we reaffirm the importance of supporting the new development framework entitled "the African Union's Agenda 2063". The ten year Plan of Action, is a strategic framework for ensuring a positive socioeconomic transformation in Africa within the next fifty years and its continental programme embedded in the resolution on the New Partnership for Africa's Development (NEPAD). Countries in conflict and post-conflict situations also require special attention.

Furthermore, the Group is deeply concerned about the day-to-day hardships and economic obstacles faced by peoples and countries affected by unilateral economic coercive measures. In this regard the Group reaffirms the commitments stipulated in Rio+20 outcome document and relevant UN resolutions in which such measures were considered illegal and as the main obstacle to the national development plans of the affected states. These measures should be stopped immediately.

Mr President,

The Group wishes to stress the critical need to curb illicit financial flows (IFFs) out of developing countries. In that vein, we would like to urge the UN system to pay due attention to the January 2015 African Union Summit's Special Declaration on Illicit Financial Flows, endorsing the findings and recommendations of the High Level Panel on IFFs from Africa. This should be replicated in other regions around the world, to forge an agreement on concrete measures by all countries to curb IFFs at origin, destination and transit points.

The Group would like to stress the importance of assisting developing countries to industrialize and develop in a manner that creates decent employment. We also urge that technical and capacity-building assistance be provided to developing countries at the international, regional and national levels to support them in obtaining the maximum benefits from sustainable extraction and use of natural resources, taking into account the full exercise of the sovereign right of our countries over their natural resources.

Mr President,

The G77 and China would like to reiterate the importance of North-South Cooperation. Indeed, the first platform for this International Conference was formed to come up with ways and systems to source financing for development. This underpinned the global partnership for development at that time, which pre-dated the Millennium Development Goals (MDGs). In the lead-up to the adoption of the Post-2015 Development Agenda, it is thus an opportune moment to join together in a revitalized global partnership for development. We call on all Member States to embrace the spirit of social inclusion that is so central to lifting our populations out of the morass of poverty, hunger, inequality and unemployment.

The North has to demonstrate leadership and commitment in this revitalized global partnership for development, which is firmly based on developed countries' experience in development

cooperation, trade relations and financial and other resources.

Mr President,

The Group of 77 and China would like to reiterate its position that South-South Cooperation should not and cannot absolve developed countries from fulfilling their ODA commitments.

As mentioned in the Nairobi Outcome document of December 2009, South-South Cooperation and its agenda have to be set by countries of the South and should continue to be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit. We reiterate that South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation.

It is therefore important to uphold the importance of common but differentiated responsibilities (CBDR) in financing for development so as not to dilute the importance and centrality of North-South Cooperation.

Mr President,

The Group of 77 and China wishes for the Addis Ababa Outcome Document to embrace high-quality deliverables that addresses the development financing needs and aspirations of developing countries, so as not to lose focus on the purpose and objectives of this Conference.

In terms of the deliverables the Group of 77 and China would like to, inter alia, highlight the following:

- The Outcome Document of the International Conference on Financing for Development should closely resemble those of its predecessors in terms of the scope and structure, namely of the Monterrey Consensus and the Doha Declaration, with the titles and sub-titles clearly reflecting that the Conference is focused on, and speaks directly to, Financing for Development.
- The traditional definition of Official Development Assistance (ODA), based on North-South Cooperation, should be maintained, with a reaffirmation of the fact that ODA remains the main source of international financing for development for many developing countries. It should be based on quantified and time-bound targets that are consistent with, and build upon, MDG-8, the global partnership for development, which must be re-invigorated and strengthened, and in accordance with the principle of Common but Differentiated Responsibilities (CBDR). The current world economic situation makes it all the more necessary for developed countries to fulfill their commitment regarding ODA to the developing countries and to also provide genuine debt relief to LDCs.
- There is an imperative need to maintain the separation of the financing for development track from the sustainable development goals (SDGs) as well as the United Nations Framework Convention on Climate Change (UNFCCC). Climate finance is an obligation of industrialized countries under UNFCCC agreements. It is thus intrinsically separate from, and cannot be included in the Financing for Development Process, and as such cannot be counted as ODA. Further, the financing for development track must not prejudice nor duplicate the current discussion on the alternative sources of financing climate change, in particular carbon pricing, that is taking place in the UNFCCC, which is the primary inter-governmental forum to address climate change issues.
- There is a need to upgrade the Committee of Experts on International Cooperation in Tax Matters as an Intergovernmental entity.

Mr President,

Financing for development remains critical in addressing the developmental needs of the South. Financing for development and the Post-2015 Development Agenda processes thus remain separate from each other. Financing for development is complementary to the SDGs and supports the Means of Implementation of the Post-2015 Development Agenda, but the two are not equivalent.

As a reliable and strategic partner, the Group has been steadfast and resolute in its resolve and commitment to ensure a meaningful and ambitious Outcome for the Financing for Development Process, in order to adequately and predictably address the interests of all Member States of the United Nations. Poverty eradication in all its forms must of necessity remain at the very heart of this process.

I thank you!

