

STATEMENT BY H.E. MR. S.R. INSANALLY AMBASSADOR/PERMANENT REPRESENTATIVE OF THE REPUBLIC OF GUYANA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, AT THE NINTH MINISTERIAL CONFERENCE OF LEAST DEVELOPED COUNTRIES

New York, 29 September 1999

Mr. Chairman,
Distinguished Delegates,

It is now a tradition for the Chairman of the Group of 77 to address the Annual Ministerial Meeting of the LDCs. I am pleased to honour that tradition today since the occasion affords me the opportunity to reaffirm our Group's strong support of the cause of the LDCs.

Under the leadership of Bangladesh, that cause continues to be effectively advocated. I would wish, therefore, to pay special tribute to you, Mr. Chairman, to Ambassador Chowdhury, and to your country for your remarkable dedication. You may count on my full co-operation with your efforts this year.

I need not tell you, Mr. Chairman, that the concerns of the LDCs are the concerns of our wider G-77 family. This is as it should be, since LDCs constitute more than one-third of the membership of our Group, and are clearly among the most economically disadvantaged. Like most members of G-77, the LDCs have experienced another lost decade of development. As globalisation continues to take hold, they are further consigned to the periphery of international economic relations, unable to cope with unbridled financial and trade liberalisation.

Sad to say, the promises that were generated by the Programme of Action agreed upon by the Second LDCs Conference in Paris have largely evaporated. Official Development Assistance (ODA) to LDCs have fallen to record low levels; their debt-servicing burden has become generally unsustainable; commodity prices have declined while foreign direct investment for the LDCs, which according to UNCTAD reports received just about 1% of total flows. In short, there has been a sharp reduction in the availability of external resources, that are so critical for poverty alleviation and development in the LDCs. This deteriorating external economic environment has made it extremely difficult for them to address the structural deficiencies, which inhibit their productivity and export earnings capacity. Many countries have also fallen victims to natural disasters, which have wreaked serious havoc on their economies. And in some cases, internal conflicts, often fuelled by poverty and social degradation, have compounded the challenge to development.

Yet, despite these formidable constraints, some LDCs have steadfastly been implementing domestic reforms in recent years, and, in the end, achieving notable economic gains. Their determination gives us hope that, with the requisite solidarity and support from the international community, the LDCs can yet break the vicious cycle of poverty and deprivation in which they are now caught. With the full cancellation of their debt, the dismantling of barriers to market access, and the strengthening of supply capacity for their exportable goods and services, LDCs can have some prospect of economic growth in the years to come.

In this context, the G-77 has welcomed the Cologne Initiative to further reduce the debt of the HIPC, twenty-nine of whom are LDCs. The full and timely implementation of this initiative can ensure that more resources will be available to satisfy health, education and other social needs. We therefore call for early and expeditious action in this regard. However, given the extent of need and the number of prospective beneficiaries, more resources are required. Thus far only the Nordic countries have satisfied the internationally agreed targets for ODA. We urge other countries to emulate their example in order to provide the resources so desperately needed by the least developed.

The 54th United Nations General Assembly will offer a special opportunity to address the crucial question of financing for developing in a comprehensive and holistic fashion. Happily, the Ad Hoc Working Group, which was set up to make recommendations on the scope and format of the proposed meeting has finished its task and submitted a promising report. Very shortly, we will resume our preparations for a high-level Conference on this important theme. We must now build on the ten pillars recommended by the United Nations Secretary-General and place development - and the financing thereof on a sound and predictable footing. The LDCs should not fail to take advantage of the opportunity to assert their special requirements.

In the vital area of trade, we will soon come to UNCTAD X. At the recent Ministerial Meeting in Marrakesh, developing countries were able to co-ordinate further their positions on both Seattle and Bangkok. As past experience has taught us, we must guard against making concessions without receiving any in return. We must see to it that the "unfinished business" of implementing the agreement of the Tokyo and Uruguay Rounds is completed. We must seek to redefine the concept of reciprocity to recognise the vast disparity, which exists in the market positions of developed and developing countries, particularly the LDCs. We must continue to insist on Special and Differential Treatment in accordance with the GATT Principles Agreements to allow the LDCs to become more competitive.

Mr. Chairman,

I believe that we have now come to realise that while assistance from the North is indispensable, there is much that we in the G-77 and, of course, in the LDCs, can do to improve our situation. A major strength of our countries, is the enormous potential of our human resources. We need not look too far for examples of this asset. Your own country, Bangladesh, which launched the Grameen Bank and the concept of microcredit has given to developing countries and the world at large a useful instrument for the fight against poverty. Based on the premise that the poor are innately capable of working their way out of poverty, these initiatives have been remarkably successful, and indeed, have been replicated in many parts of the world. We must therefore continue to invest in these promising areas to build out human capacity.

Similarly, we need to pay greater attention to institutional and sectoral reform in our countries. The crucial role played by institutions in economic and social development is now increasingly recognised. In fact, disparities in economic performance among LDCs, and indeed within the developing world, may be explained in large measures by internal factors, including those related to the institutional infrastructure and performance. UNCTAD has reported that for a significant number of LDCs, the deterioration of the institutional structure of society, particularly state structures, has retarded development over prolonged periods.

Mr. Chairman,

As we look now to the third Conference on Least Developed Countries we must make sure that we are fully prepared to carry our case forward. UNCTAD, which serves as the Secretariat for the Conference deserves our full support in order to ensure an effective preparatory process and a successful outcome. We will also need to work closely with the European Union as the host of the Conference, as well as with other development partners, to promote a greater understanding of our problems and the need for special measures to resolve them.

Along the way, we will have the South Summit, which I believe can make a valuable contribution to the LDCs through the launching of appropriate South-South Co-operation Initiatives. One can envisage, for example, concrete arrangements for the sharing of knowledge and technology one of the main themes of the Summit, to help LDCs strengthen their economies. We may also examine possible initiatives designed to promote South-South trade, which in the case of LDCs is particularly significant. According to the statistics, no less than fifty percent of LDCs' imports are sourced from developing countries, while nearly forty percent

of LDCs' exports go to developing countries. There is therefore great merit in enhancing South-South Co-operation for the benefit of the weakest states.

In closing, Mr. Chairman, let me reiterate the firm commitment of the Group of 77 to the cause of the Least Developed Countries. In solidarity and co-operation with you, we will spare no effort to keep your concerns at the forefront of international attention so that together we may secure the economic and social progress of all our peoples. I offer you my very best wishes for a very productive meeting and hope that it will lead to a renewed determination to realise the just aspirations of your membership.

I thank you.