

Statement on behalf of the Group of 77 and China by H.E. Ambassador Makarim Wibisono, Permanent Representative of Indonesia to the United Nations, Chairman of the Group of 77, before the General Assembly on agenda item 99: "Commemorative meeting of the twentieth anniversary of the adoption of the Buenos Aires Plan of Action for promoting and implementing technical cooperation among developing countries"

New York, 7 October 1998

Mr. President,

On behalf of the Group of 77 and China, I would like to congratulate you and to congratulate the General Assembly for having organizing this important commemoration. We are very grateful for all the membership that have supported last year the G-77 initiative that led to the adoption of the resolution by the General Assembly to convene this commemorative meeting.

Mr. President,

Since its inception, the Group of 77 always attaches fundamental importance to promoting economic and technical cooperation among developing countries. Such cooperation is necessary to reduce the vulnerability of the developing countries to external factors and to maximize complementarities for accelerating the development of their economies. The historic Buenos Aires Plan of Action adopted twenty years ago in September 1978 and subsequently endorsed by the General Assembly, in resolution 33/144 of December 1978, was an expression of the aspirations of developing countries and a reflection of their desire to promote Economic Cooperation among themselves as a complement to North-South cooperation and as integral part of the collective action of the Group aimed at the promotion of international cooperation for development. It marked the beginning of a new phase of such cooperation, providing as it did, a blueprint with a well-defined mechanism for implementation and a follow-up. The major thrust of the Buenos Aires Plan of Action remains of vital importance and even more relevant today as a result of the aftermath of globalization and liberalization. The Group of 77 renews its commitment to intensify cooperation among developing countries towards the attainment of collective self-reliance as is evidenced in the recently adopted NAM Summit Declaration and the Declaration of Foreign Ministers of the Group of 77 last month.

In recent years, the forces of globalization and liberalization have brought dramatic changes on the global economic scene. For developing countries, various constraints beyond their control prevent them from fully participating in this process. Majority of the developing countries, in particular the Least Developed Countries and the land-locked countries, with their meagre resources and unfavourable external supportive environment, are faced with seemingly insurmountable challenge of global competition which has tended to marginalize them. In this context, if South-South cooperation were more vigorously pursued, the developing countries would have greater leverage on their external environment and on the North-South cooperation dialogue. At the same time, it would contribute to solve many problems of development in the developing countries and thus enable them to face the challenge of integrating with the global economy more successfully on equitable and symmetric terms.

Mr. President,

The developing countries have always been conscious of their own responsibility for promoting their economic development and implementing economic and technical cooperation among themselves. The potential of ECDC/TCDC for trade and development is particularly great at this juncture in view of the increased liberalization and openness of developing countries and the substantial efforts to reform their trade policies. In this context, it is imperative that the Global System of Trade Preferences among Developing

Countries (GSTP) whose origin is in the Buenos Aires Plan of Action, be further strengthened. There is a need to consider giving new impetus to GSTP negotiations by adjusting past GSTP concessions to the currently applied tariffs and import measures resulting from national tariff and trade reforms, as well as from the Uruguay Round Agreements. There is a further important scope to strengthen regional and interregional trade by enlarging participation, expanding product coverage and deepening mutual concessions. The potential effectiveness of the GSTP has been substantially increased with the revaluation of the tariff instrument in developing countries' regimes following large-scale liberalization of non-tariff measures by many developing countries.

For instance, the GSTP Agreement provides that the special needs of the least developed countries including the land-locked countries should clearly be recognized and concrete preferential measures in favour of these countries should be agreed upon. The LDCs and many land-locked countries will not be required to make concessions on a reciprocal basis. These measures in the GSTP Agreement are aimed at boosting LDCs exports and thereby enhancing their living standards.

The Perez-Guerrero Trust Fund (PGTF) and the Trust Fund on South-South cooperation were established with view to supporting activities on Economic and Technical Cooperation among Developing Countries (ECDC/TCDC) of critical importance to the Group of 77 in order to achieve national collective self-reliance. It is essential today to increase the resources of both Funds in order to support South-South cooperation. I would like to take this opportunity to make an appeal to all countries particularly to donor countries to contribute generously to both Funds with view to enabling the Group of 77 to continue supporting South-South cooperative projects.

Mr. President,

The United Nations system is uniquely placed to assist developing countries in making the transition to new economic era. The ability of its institutions to objectively analyze economic trends, and to indicate policy options that give primacy to developmental considerations, is the backbone of economic cooperation among developing countries. The Group of 77 draws heavily on the support provided to it by UNDP, UNCTAD, UNIDO and the UN system as a whole towards the implementation of objectives set out in the Buenos Aires Programme of Action for TCDC. In this context and with view to making this anniversary as well as the ongoing efforts of the UN system in supporting South-South cooperation, I would like to propose that the General Assembly should decide a UN Day on South-South cooperation. We also recognize the work undertaken by many South institutions aimed at providing a valuable contribution to increase awareness of the international community, particularly, in terms of the need of international cooperation requirements in support of ECDC/TCDC. In this regard, the ongoing activities of the NAM Center on South-South Technical Cooperation in Jakarta deserve our support.

Due to the present world economic situation, the question of intensifying south-South cooperation needs to be accorded top priority by the UN system and the international community. In stressing this, the Group of 77 thoroughly deliberated the question at the recently held Ministerial Meeting in New York. The core of the discussions was on the indispensability of collective self-reliance as a vital instrument not only for accelerating development and eradicating poverty, but also crucial for engaging the North in meaningful dialogue with the South.

The main focus for intensifying south-South cooperation, centers on the Caracas Programme of Action (CPA) and the Buenos Aires Programme of Action on TCDC (BAPA). While the implementation of these two programmes have yielded some results, much more needs to be done. In this regard the question of harmonizing both programmes were squarely faced at the recently held South-South Conference in San Jose. In doing so, the Conference rightly recommended to the Group of 77 to consolidate and coordinate its activities in various issues and forums, including harmonizing South-South initiatives.

Mr. President,

With the increasing obstacles in our economic development, with the North-South dialogue still to get underway, and the emerging complementarities among developing countries, the scope of our own and technical and economic cooperation is even more urgent today than it was 20 years ago when the BAPA was adopted.

While it is true that we must provide greater momentum to ECDC/TCDC activities, we should guard against the risk of undertaking projects without fully assessing their potential. Indeed, this can gristly harm the very cause that we seek to promote. We must at all times remember that ECDC/TCDC projects must provide mutual benefits to developing countries and should be economically viable. In this context, I am pleased to inform you that the Office of the Chairman of the Group of 77 will set up shortly a research programme on South-South cooperation in close collaboration with the Group of 77 Chapters and with the support of the UNDP, UNCTAD, UNIDO and other relevant UN institutions with view to promoting research studies in the field of South-South cooperation..

As the Group of 77 pointed out on many occasions, the Caracas Programme of Action and BAPA are unique in concept. Both provide a plan of action with clearly laid down mechanisms for support, follow-up and review with diverse components woven together into a precise time-table for implementation. They should have provided the dynamism to ECDC/TCDC that was earlier lacking. The experience of the past two decades has raised several questions particularly those related, inter alia, to the financing of South-South cooperation. Today there is a need to find appropriate organizational modalities to tap effectively resources from various international organizations and financial institutions that could be directed towards supporting South-South cooperation activities and programmes and to outline a common strategy to foster international support for the regional and subregional economic groupings of developing countries as well as to encourage mutual links and cooperation between them. In this context, let me take this opportunity to express our deep appreciation for countries that continue to support South-South cooperation particularly the Government of Japan who is generously supporting the forthcoming Conference on sub-regional and regional economic integration to be held from 1 to 4 December 1998 in Bali.

Mr. President,

Before I conclude, let me take this opportunity to reiterate on behalf of the Group of 77 and China our strong support for the activities being undertaken by the UNDP and its Special Unit for TCDC with view to supporting South-South cooperation. In their final declaration, the Ministers for Foreign Affairs of the Group of 77 who met last month in New York expressed their appreciation for the support provided by the UNDP and its Special Unit for TCDC to support South-South cooperation and encouraged the UNDP to continue to expand this cooperation with the Group of 77 for the benefit of all developing countries.

Finally, Mr. Chairman, let me state that the UN system should articulate a global strategy that may enable all economic groupings of the South to respond adequately to the challenges of globalization and liberalization. This is an issue which should be discussed in depth by the high-level conference on sub-regional and regional economic integration to be held from 1 to 4 December 1998 in Bali, Indonesia.

I am confident that the forthcoming Bali Conference as well as the South Summit will set the stage for developing countries in projecting their collective vision of international cooperation for development and strengthening of South-South cooperation for the next Millennium.

Thank you, Mr. President.