



**STATEMENT BY AMBASSADOR STAFFORD NEIL, PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, ON CLUSTER I (FREEDOM FROM WANT) OF THE SECRETARY-GENERAL'S REPORT "IN LARGER FREEDOM: TOWARDS DEVELOPMENT, SECURITY AND HUMAN RIGHTS FOR ALL" (New York, 25 April 2005)**

Mr Facilitator,

### **General Overview**

We are pleased that our discussions on this cluster have now begun and provide an opportunity for the international community to comprehensively address the development concerns of developing countries. For us in the G77 and China, it is important that priority attention be given to the issue of development. We reject any notion that development should be viewed through the prism of security and the fight against terrorism. Such a narrow, conceptual framework would limit the scope for substantive treatment and meaningful action. In such a critical year as this, it would be regrettable if we did not seize the opportunity to redress the imbalance in how the UN system handles the principal challenges of the day. Our intervention today will take account of, but will not be limited to, the recommendations contained in the Secretary General's Report which is before us, in order to present the broadest possible framework within which development should be considered.

### **General Principles**

I will now turn to the recommendations as they are presented in the Secretary General's Report. As I had stated in my intervention on April 6, we had expected more concrete proposals and a more substantive treatment of the development issues, taking full account of proposals made in the consultations on the Millennium Project Report and the High Level Panel Report. We recognize that there are some general principles which need to be reiterated as they are fundamental to our consideration of the development question.

First, development priorities need to be considered in a comprehensive manner. Consequently, the focus must be on broad development needs and objectives. Not simply on the creation of MDG-based national strategies. Each developing country must be accorded "policy space" or the flexibility to evolve its own national development plans. There is no single development policy for all. The nature of the recommendations in the Secretary General's Report seems to suggest otherwise. They tend to be very MDG-specific, thus restricting the scope for greater attention to other internationally agreed development goals. The MDGs represent an important aspect of the overall policy framework for development but they do not represent the full development agenda. Our focus on the MDGs and their achievement by 2015, represent an important milestone but not the ultimate development objective. Our goal is sustained economic development.

Second, advancing the development agenda requires genuine international cooperation and the full implementation of agreed commitments. We should also not forget that the High Level Event in September also presents the opportunity for a comprehensive review of the coordinated and integrated follow-up to the implementation of outcomes of all major UN summits and conferences. We are therefore concerned that paragraph 5(a) of the Annex of the Secretary General's Report draws attention only to the International Conference on Financing for Development held in Monterrey and the World Summit on Sustainable Development held in Johannesburg. Equal attention should be given to the need to fully implement the commitments made in the Conferences of Beijing, Copenhagen and Cairo, as well as in the Brussels, Almaty and Mauritius Programmes of Action in favour of Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. It is a matter of deep concern that the specific needs of the LDCs, LLDCs and the SIDS were not adequately addressed in the Secretary General's Report.

Additionally, the process on which we are embarked should not result in the reinterpretation or renegotiation of previously agreed commitments. There is a certain imbalance in the suggested approach for the implementation of commitments, which unfairly puts the burden on developing countries. Developed partners should be challenged to fulfill the obligations which they have committed to undertake.

We also recognize that there is no guarantee of international support, including through the provision of resources, for the implementation of national development strategies, once they are formulated. The funding mechanisms need to be identified and should be readily available. We believe that this aspect of implementation also has to be

addressed in the recommendations.

This leads me to my third point, that of policy conditionality. It is time for the international community to categorically reject the use of policy conditionalities in the provision of development assistance. It is regrettable that such a vital issue has not been forcefully tackled in the Secretary General's Report since it has implications for a country's ability to determine its development priorities. As a complement to the elimination of such conditionalities, we should also proclaim the sovereign right of each developing country to determine its own development priorities and strategies. We cannot accept ideological prescriptions concerning economic organization, free markets or the role of the state. Paragraphs 5 (a) and (n) of the Annex of the Secretary General's Report suggest that increased development assistance will be provided only if sound, transparent and accountable national strategies are prepared by developing countries. This approach poses a serious concern to the G77. Transparency, accountability, good governance and combating corruption are standards which should apply to everyone not just developing countries.

Fourth, it is also imperative that we call for the elimination of unilateral coercive economic measures against developing countries and the termination of foreign occupation in view of their negative impact on the development prospects of the peoples and countries so affected. If we are to make development a priority, we must address the removal of unjust and discriminatory policies which promote impoverishment. We must seek to advance the welfare of all peoples in an inclusive way.

### *Mobilisation of Resources*

#### *(i) ODA*

With respect to the issue of ODA, several key points must be reiterated. First, that the 0.7 per cent target of GNI for ODA and the specific allocations for LDCs should be fulfilled as a matter of urgency. All major international conferences have recognized that a substantial increase in ODA will be required if developing countries are to achieve the internationally agreed development goals. We applaud those countries which have met or surpassed the target but it is untenable that after 30 years, we have not been able to make more significant strides. We welcome and encourage efforts to establish timeframes to reach this long-standing commitment, including the recent announcement by the European Union. Other donors should come forward to fulfill their commitments.

It is also necessary, in order to ensure the efficacy of these efforts that the implementation of ODA commitments should be undertaken in a consistent, speedy and transparent manner. We draw attention to the Millennium Project Report's call for donor countries to evaluate their development, foreign and financial policies with specific reference to the MDGs and that they should subject themselves to the same standards of transparency and coherence as they expect from developing country governments. Additionally, there is urgent need to improve aid effectiveness, management and delivery.

We would also caution against the distinction being made among developing countries as emerging donor countries. Such categorizations should not be endorsed or accepted. The real focus, as I have stated, should be on fulfilling the agreed donor targets.

#### *(ii) Innovative Sources of Financing for Development*

The G77 welcomes renewed efforts to explore new and innovative sources of financing for development. We believe that there is sufficient momentum for us to make significant progress on the issue. We appreciate that there is still some work being done and would therefore wish to await further technical details on the many proposals before us. We should also remember that the World Solidarity Fund which was established by the General Assembly constitutes an important mechanism for mobilizing additional resources for development.

Another important caveat is that resources from innovative sources of financing should be additional to and should complement official flows and private direct investment.

#### *(iii) FDI and private flows*

There is need to increase substantial net inflows of resources to developing countries to achieve the internationally agreed development goals, including the MDGs. As we have stated on numerous occasions, it is imperative that mechanisms are developed, which do not impose additional burdens or conditionalities on developing countries, to encourage and promote private direct investment in developing countries. It is crucial for developed countries to create measures to facilitate the promotion of Foreign Direct Investment to developing countries in keeping with the need for building productive capacities and competitiveness.

## *Special Needs*

Let me also draw attention to the special needs of Africa which must be comprehensively addressed in our consideration of development issues. We have a collective responsibility to ensure that Africa can benefit from global economic growth and prosperity. We expect donors who have announced Africa-specific initiatives to translate them into concrete action in support of the objectives and priorities of the NEPAD.

The Millennium Declaration recognized the particular needs and problems of landlocked developing countries and urged both bilateral and multilateral donors to increase financial and technical assistance to this group of countries to meet their particular development needs and to help them overcome the impediments of geography by improving their transit transport systems and creating an environment, at the national, sub-regional, regional and global levels that was conducive to development and to the elimination of poverty. MDG 8, target 14 was specifically set to address those particular needs of LLDCs. Therefore, it is necessary for the 2005 High-Level event to adopt a specific set of measures and approaches to meet the target, based on the internationally agreed commitments stipulated in the MDGs-based Almaty Programme of Action, São Paulo Consensus as well as relevant UN resolutions, in particular resolution A/59/245 of 22 December 2004. Similar efforts have to be undertaken to address the needs of the LDCs and SIDS.

## *The Environment*

There is an imbalance in the treatment of environmental issues in the Secretary General's Report. We note in particular, that the Annex only advances recommendations on the issue of climate change. Greater focus should also be given to issues such as desertification, sustainable use of biodiversity products and services, deforestation and water scarcity which are important elements of the overall equation for ensuring sustainable development. Additionally, the issues raised with respect to climate change do not address the issue of adaptation, neither do they reaffirm the commitments contained in the Convention on Climate Change and the Kyoto Protocol.

Equally disturbing is the distinction being made with respect to "major emitters" and the responsibilities of developed and developing countries. The focus must be on concerted global action for the urgent fulfillment of the commitments made by Annex I countries, in accordance with the principle of common but differentiated responsibilities in the Convention on Climate Change. Similarly, we question the link being made in paragraph 5 (k) to poverty and climate change, which again diverts attention from the core problem of the lack of implementation of agreed commitments on climate change.

With respect to natural disasters, we welcome the attention in paragraph 5 (m) to the need to establish a worldwide early warning system for natural disasters. There needs to be explicit reference, however, to building national and where appropriate, regional capacities to respond to natural disasters. We would wish to draw attention to the conclusions and recommendations of the World Conference on Disaster Reduction held in Kobe, Japan in January of this year, and the need for us to begin implementing the commitments which were adopted at the Conference.

## *Employment & Labour Mobility*

The availability of productive employment is a serious problem in developing countries. For us, there is an important correlation between these issues and the achievement of the internationally agreed development goals, including the MDGs. As was noted in the recent High Level Meeting of the ECOSOC with the BWIs, WTO and UNCTAD, there is urgent need for greater focus on the phenomenon of jobless growth. As globalisation accentuates inequalities especially in employment opportunities, the need arises for addressing this neglected area in global economic relations.

## *The concept of Quick Wins*

The G77 sees merit in the use of quick wins initiatives to advance progress in achieving not only the MDGs but other internationally agreed development goals. However, such initiatives should be based on the long-term development of countries and should be objectively determined in order to address the most urgent needs. Accordingly, the process must be in keeping with national priorities and be nationally owned.

That being said, there is no disputing the quick wins identified in paragraph 5(h) of the Secretary General's report. Urgent attention is needed in the fields of health and education, if we are to promote economic growth, sustainable development and global prosperity. As we have said in the past, however, the exact measures to be undertaken are indicative of a variety of initiatives that could be explored. In the area of education and the emphasis which needs to be placed on eradicating illiteracy, we have to think of Quick Win incentives to increase school attendance,

particularly for poor children, and improve the quality of teaching available to students. We would wish to also draw attention to the need for Quick Wins to address the issue of forestry and fisheries in the broader context of sustainable development as well as the area of trade even before the conclusion of the Doha Round of negotiations.

### *Trade*

Trade plays a critical role in the development process. Against this background, the Group has called for clear directives to be given to the Ministerial Meeting to be held in December in Hong Kong. The proposal in paragraph 5 (f) of the Secretary General's Report on the completion of the WTO Doha Round presents a slightly different approach beyond what was originally conceived by the Group. For us, the priority is not so much on meeting the 2006 deadline for the completion of negotiations, but rather on the positive outcome of the negotiations. The emphasis instead should be on ensuring that the interests of developing countries are reflected in the outcome. The multilateral trading system should be guided by clearly defined development objectives with concrete political and financial commitments for achieving them.

There is also more to the trade concerns beyond those outlined in the Report. The matter of enhanced market access for products of developing countries to developed countries' markets cannot be overstated. Indeed, we welcome the focus on the need for immediate duty-free and quota-free market access for all exports from the least developed countries, but it should be clear that the focus here is on access to developed country markets. Additionally, we would wish to recall that the proposal forms part of the existing commitments under the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010. The focus, therefore, should, therefore, be on implementing existing commitments.

In addition, there is an urgent need to deal with trade distorting measures, both tariff and non-tariff barriers, including the use of sanitary and phytosanitary standards to restrict exports of developing countries. Building the capacity of developing countries to overcome such barriers is imperative.

Other issues which will have to be addressed in the context of the WTO negotiations are:

- achieving substantial liberalization in the agriculture sector by eliminating agricultural subsidies;
- implementing in practical terms the provision of special and differential treatment;
- considering the special needs of all developing countries, including small and vulnerable economies; and
- strengthening the supply side capabilities and productive capacity in developing countries to strengthen export competitiveness, as recommended by the Millennium Project Report.

Priority should also be given to the vulnerability of the commodity exports of developing countries to the vagaries of the global economy and the need for price stabilization mechanisms to reduce exposure to such volatility. Similarly, there is need for the provision of adequate assistance to meet developing countries adjustment and capacity building requirements arising from trade liberalisation.

Finally, there must be reform of the WTO system of multilateral rules and decision-making processes. It is important that specific steps be taken to introduce greater equity and efficiency in the WTO decision-making process and to ensure its coherence and coordination with other organizations and institutions. Priority should also be given to achieving the universal membership of the WTO by removing all political impediments from the process of accession. Accession is the right of any country which applies for membership of WTO, not a concession to be granted at the discretion of a country or any group of countries.

### *Science and Technology for Development*

Although this issue is addressed in the Secretary General's Report, it neglects one critical component – that of ensuring access to and transfer of technology to developing countries. The 2005 High Level Event should agree to promote, facilitate and finance, as appropriate, access to and the transfer of new and emerging technologies to developing countries, in recognition of the critical role which technology plays in achieving economic growth and overall development objectives.

One means of advancing this objective is through the revision of the TRIPS Agreement to remove constraints on the transfer of environmentally sound and development "friendly" technologies and processes. Unless there is a satisfactory amendment to the TRIPS Agreement, whose benefits are currently skewed in favour of the holder of intellectual property rights, then the full range of development concerns will not be addressed.

The transfer and utilization of technology, including information and communications technologies, must also be addressed in order to bridge the development and digital divide. The High Level Event should agree to support

efforts to be undertaken at the World Summit on Information Society to be held in Tunis in November towards advancing these issues, especially the development aspects of internet governance.

We would also like to support the recommendation of the Millennium Project Report for financial arrangements for global scientific research and development for developing countries.

### *Migration & Development*

We note that although it was mentioned in paragraph 71 of the Secretary General's Report, there were no specific recommendations on migration and development. This issue must be addressed in the context of our ensuing discussions. We do not have to await the Report of the Commission on International Migration and the General Assembly High Level Dialogue on the issue in 2006. The G77 is concerned, for example, about growing references to the remittances of migrant workers as a potential source of financing for development. We do not endorse this perspective. Such financial flows are private resources, usually for family maintenance and personal consumption. The real focus should be on promoting and facilitating such transfers through the removal of existing obstacles, including a significant reduction in transaction costs.

### *Health*

As a Group, we acknowledge the need to address health concerns in the broader context of addressing development. While HIV/AIDS is addressed in paragraph 5 (i) of the Secretary General's Report, a core element of the discourse has been overlooked. This concerns the issue of access by developing countries to affordable medicines to reverse the spread of HIV/AIDS and other communicable diseases. The issue was correctly addressed in the Millennium Project Report and should be the basis of our discussions. We would also like to reiterate the idea raised in the High Level Panel Report for a new global initiative to rebuild and support national public health systems and to propose the establishment of financial arrangements for this purpose.

### *Debt*

Priority should be given to a comprehensive package to address debt issues. This comprehensive treatment needs to cover all types of debt (private, public bilateral and multilateral) and should be extended to low as well as middle income countries. The Secretary General's recommendation in paragraph 5e of the Annex provides a basis for seriously addressing these issues, especially for the total debt cancellation for HIPC countries and significant debt reduction for many heavily indebted non-HIPC countries and middle-income countries. There is, however, one major shortcoming. Debt sustainability should not be defined solely in terms of the attainment of the MDGs. A more holistic approach has to be considered that better aligns the issue with broader national development goals. Full finance for debt initiatives should also be provided independent of the provisions for ODA and there should be an automatic adjustment in debt servicing, in line with changes in the prices of principal commodities exported by debtor countries and other adverse economic shocks.

### **Systemic Issues and Global Governance**

The Report makes no mention of the required action to redress structural inequities. Pervasive systemic imbalances in the areas of trade, finance and money and technology, for example, severely impact the development prospects of developing countries. Good governance at the national level must be matched by the commitment to practice good governance at the international level, to establish a dynamic and enabling international economic environment.

The present global financial system requires a complete overhaul. It is neither open, rule-based nor predictable. This is clearly reinforced when one looks at the Bretton Woods Institutions and the limited scope for the effective voice and participation of developing countries, especially small developing countries. A reform of the decision-making system in IFIs, especially the IMF and World Bank, is required so that developing countries can have a fairer and more effective role in the policies and processes of these institutions. The distribution of quotas in the equity of the IFIs should be reviewed and reformed. Participation can only be ensured if the issue of the quotas is addressed through an amendment of Article IV of the IMF Agreement and if due attention is given to Special Drawing Rights.

There should also be a review of the appropriateness of trade policies as the structural weaknesses and imbalances of WTO Agreements, restrict viable development options for developing countries. Additionally, there is need for effective mechanisms for the facilitation of the integration of developing countries into the international trading system and the global economy. Also required is a thorough examination of the impact of decisions taken outside the multilateral context which could be detrimental to developing countries.

There is an urgent need for a development-oriented coherence between the UN and institutions of international

economic governance, which the Group will address during the informal consultations on Cluster IV.

I thank you.

