

Statement by Mr. Mohammad Ali Zarie Zare, on behalf of the Group of 77, at the Third Session of the Preparatory Committee for the International Conference on Financing for Development: Interlinkages

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The various themes in the substantive agenda of the International Conference on Financing for Development, although different in nature, will contribute to the overall perspective of financing for development and there are some crosscutting issues that are common in all or some themes of the substantive agenda.

enhanced coherence and consistency of macro-economic and structural policies at the national level as well as international monetary, financial and trading systems and the coherence of these two levels are major factors in support of financing for development.. The Group of 77 and China believes that consistency at the national level could be ensured by integrating national priorities in designing and implementation of macro-economic and structural policies. The coherence and consistency of international monetary and financial policies with international trade policies is a challenge before all of us. Some formal arrangements for improving such coordination already exists among relevant bodies. Nevertheless, more endeavors are necessary for improving coherence and consistency among BWIs, WTO and United Nations and their respective policies through mainstreaming the institutional coordination at the intergovernmental and secretariat levels. Domestic policies in developing countries require a supportive international environment since external factors critically impact on capacity for mobilization of domestic resources in developing countries and such an environment could be provided through compatibility and consistency of international financial, monetary and trading systems with development objectives and commitments. Regional and sub-regional cooperation and coordination could also contribute to creating a conducive environment and consistency at the international level.

- Participation and ownership, and enhancing the participatory nature of international economic decision-making and norm-setting processes at the global level, including adequate representation and broad and meaningful participation of developing countries in such processes is imperative from the perspective of equity, effectiveness and efficiency, as well as, for promoting increased and more equitable distribution of the benefits of globalization and world economic growth. The Group of 77 and China believes that FfD process can support relevant international institutions in further promoting the objective of becoming fully responsive to the development challenges by concrete actions for improved representation and effective participation of developing countries in the policy- and decision-making processes and norm and standard setting. Universal codes and standards should be developed through fully inclusive, participatory, accountable and open processes and with participation of all countries. Let me also emphasize that countries have the primary responsibility for their economic development and the domestic resources are the principal source and the primary means to finance the developmental activities. National ownership of development policies and strategies in the field of monetary, financial and trade, and in particular the capital account management and exchange rate regime is a major component for effectiveness at the national level.

- Technical and financial assistance for capacity building, has been a major issue in almost all major themes in our agenda. In this era of globalization that developing countries do not have the capacity to address the challenges before them without sufficient technical assistance by the international community, provision of such assistance is imperative. Let me draw attention to some of areas where technical and financial assistance are necessary for capacity building:

- In the mobilization of domestic resources the necessity of provision of technical and financial assistance to equip countries and to enable them to implement the international standards and codes, to enable them to put in place social safety nets;

- in the mobilization of international resources for development assisting developing countries in the areas of

human resource development and institutional strengthening including through sharing know-how, information and transfer of technology specially ICT to enhance their capacity to attract a greater share of global FDI;

- in the area of trade the need for technical assistance to strengthen human, regulatory and institutional capacities and the capacity to engage in the negotiation on trade, finance, technology transfer and related areas, as well as, assistance to strengthen technological, human, entrepreneurial and infrastructure capacity to make food self-reliance, developing the knowledge and skills for local capabilities on sanitary and phytosanitary international regulations and removing supply-side constraints and improving trade infrastructure. In the area of ODA, promoting capacity of developing countries for coordination of ODA at the national level as well as with UN system and bilateral and other donors as well as improving their absorbing capacity.

- In the area of debt provision of technical as well as financial assistance for promoting the capacity of developing countries to improve debt management including liability management, as well as, human capital for negotiation of debt resolution and its work out.

- In the area of systemic issues provision of technical assistance to the developing countries for better analyzing the dynamics within the various international economic institutions as well as their interaction to enable them to manage their domestic economic affairs more efficiently.

- Regional complementarity and synergies. Due emphasis on the importance of regional cooperation for addressing national, regional and global challenges in the field of monetary, finance and trade should be part of an overall strategy for supporting development as well as its financial aspects. Regional cooperation could also facilitate integration of developing countries, through expansion of regional trade and financial cooperation into the world economy. The regional cooperation for creating necessary regional capacity including through international assistance for responding to the financial crisis such as facilitation of emergency financing in time of financial turbulence and crisis.

- Public – private partnership in support of financing for development has become a major component for a national strategy. Given the increasing role of the private sector in the economy, including its extensive role in trade and investment, the relevant policy framework should promote and expand such partnership in all areas of finance and trade at the national as well as regional and international levels.

Thank You, Mr. Chairman,