

Remarks by Ambassador Bagher Asadi, Chairman of the Group of 77 (Islamic Republic of Iran), at the Working Luncheon by Ambassador Shamshad Ahmad (Pakistan), Co-Chairman - Financing for Development Bureau

New York, 9 October 2001

Thank you very much for the kind invitation and the excellent opportunity for this very useful exchange of views. That is indeed the best beginning for your co-chairmanship of the Financing for Development (FfD) Bureau. Congratulations and good luck.

We have had a very good exchange of views today; an excellent, comprehensive opening statement by Honourable Minister Shawkat Aziz, Mr. Irfan ul Haque's presentation on the Facilitator's Paper, and a wide-ranging discussion. Ambassador Ahmad asked me to conclude. Well, the rich and quite varied range of ideas and views presented here is truly reflective of the reality of the situation we are dealing with in this process. Any attempt at presenting a summary would be very difficult, at least for me.

The combination of the invitees here today, colleagues from both New York and Washington, is indicative of the imperative of the coherence and consistency that we need to achieve at the level of national policy in our respective countries. We the New York diplomats represent the foreign office and the colleagues in Washington, at the Bretton Woods Institutions (BWIs), represent ministry of economy and finance and central banks. All of us are fully aware of the fact that we need to coordinate our respective national positions so the two constituencies would not pull in different, or still worse, opposing directions in this process, particularly now that we are entering a critical stage of the process. Let me add that this problem is not necessarily peculiar to the developing world. Talk to our developed partners and you would hear the same story. But, of course, we are concerned about our own problem, not theirs.

There is hardly any need to emphasize the importance of the FfD process. It is a historical opportunity, and yet a formidable challenge for all of us in the international community, both developed and developing. It is particularly critical for us because we have pursued it for over two decades; now it is going to take place. That is exactly why we have to make every effort to ensure that it would achieve a real substantive outcome in Monterey, Mexico. Success of this conference is important in its own right, but more so, because this not just another conference like others. Its failure is not the failure of just a conference; rather, it would have serious long-term repercussions for multilateral relations in the future. Just look at the tragic events here last month and the ripple effects thereafter, and see what is happening now in our region, then you realize that the FfD conference should end in success.

I fully agree with the colleagues that the Monterey Conference is not the end of the FfD process, but an important building block along the way. That is how we look at it. This conference should come up with a substantive, holistic and integrated outcome. Given the six major themes in the agenda, what do we mean by a real substantive outcome? Let me make it clear that the objective is not merely to achieve a little higher level of ODA, or just a little more market access or a little better debt situation. All of these are good and important in themselves. But FfD is not about money, and a little more money on the table than is presently the case. This process about achieving better functioning institutional arrangements, and arrangements that are sustainable. This is what we aim at.

Almost everybody has emphasized the imperative of focus in the pursuit of our objectives in this process. I fully agree with this proposition. We should certainly try to find the real priorities of the developing world. I fully agree with Ambassador Rosenthal that the Group of 77, comprising of 133 countries, extending from China on one end to the southern cone of the Latin continent on the other, is very diverse and heterogeneous. It is true and we know that we are different, we have different levels of development and we have specific

interests and concerns. But, it is also a fact that we have common interests and concerns. We should be able to find what are our real priorities in this process. We should concentrate on a rather limited number of concrete, practical doables, achievable, deliverables – as these terms are used nowadays. We should avoid the temptation of presenting a long catalogue of demands, legitimate as they may seem, idealistically speaking.

The views presented here today show very clearly that among the six major themes the most difficult is the systemic issues. But, fact of the matter is that there is no avoiding addressing the question. It is on the table and we, I mean the whole international community, have to deal with it. Again, drawing on what Ambassador Rosenthal said on the necessity of building bridges between the UN and the BWIs, I would venture to say that convergence between the respective visions and outlooks of New York and Washington is inevitable. And I fully concur with Minister Aziz that reform is crucial. It is a fact that existing arrangements lag far behind the reality of the situation, particularly that the globalization process is fast changing a whole lot of things. Yes, even discussion of reform is difficult, but it is simply inevitable and unavoidable. Even enlightened self-interest makes reform inevitable. Some the colleagues referred to the kids on the street. It is not a fantasy; it is a reality. I say let's talk about and discuss reform around the negotiating table. If not discussed at the negotiating table, it would be decided on the street, which I suppose would be more costly. I would also like to add that none of us knows exactly what should be done for reform of the system. What is known is that the question is on the table and that it has to be addressed in earnest. This much we know, the rest of it is left for discussion and negotiation.

I also concur with Minister Aziz on the necessity of reform at the national level. It is not just that we call for reform at the international level, ignoring what needs to be done on the home front. In fact, we are fully conscious of the homework we need to do. And a whole lot of developing countries have undertaken reform in many areas and fields. The problem, however, happens to be that side by side with such an increasing flexibility on the part of the developing world, the other side and their institutions have remained and become all the more inflexible. This is not the right approach and trend. It does not work.

And as the last point, again with an eye to the valid concern that Ambassador Rosenthal mentioned about the diversity within the Group of 77, let me make this point clear that in light of the pull and push from within and without of the Group, it is an absolute necessity for us to preserve our harmony and unity in this process. The fact is now there are attempts at work from outside of the Group, directed at the Group and its membership, aiming at weakening and undermining our cohesion and unity. We have to be very conscious of such a trend. This is my solemn appeal to all of you, colleagues here in New York and the colleagues in Washington, to make every effort to preserve our harmony and unity in the difficult work that we have ahead of us in the FfD process.

Well, the Chairman of the Group of 77 may not have to respond to difficult technical questions, but he has the challenge of preserving the unity of the Group.