



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY MR. SULTAN AL-MAHMOUD, PERMANENT MISSION OF THE STATE OF QATAR TO THE UNITED NATIONS, ON AGENDA ITEM 84: FOLLOW-UP TO AND IMPLEMENTATION OF THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT, AT THE SECOND COMMITTEE, FIFTY-NINTH SESSION OF THE GENERAL ASSEMBLY (New York, 13 October 2004)**

Mr. Chairman,

Thank you for giving me the opportunity to speak on behalf of the Group of 77 and China. We wish to thank the Secretary-General for his report on this agenda item.

It has now been over two years since the historic gathering of the world leaders at Monterrey to adopt the Monterrey Consensus. Since then many developments have taken place in the global economy. Some of these developments were a direct result of the partnership spirit that guided the process.

Developing countries, recognizing that their development is their primary responsibility, have taken bold steps for reform. They have strengthened their economic policy environment and mainstreamed good governance at all policy levels pertaining to their internal development agenda. However, if these efforts were to bear fruit, they must be supported by good governance at international levels and an enabling international environment. In this regard, the Group of 77 and China would like to make the following points:

- Foreign Direct Investment: Flows are still unevenly distributed. There is a strong need for source country measures to help address this problem and expand investment flows in a more even and diversified manner.
- Official Development Assistance: ODA falls far short of the 0.7% internationally agreed target. This constitutes a serious obstacle to the global efforts toward achieving internationally agreed development goals, including the Millennium Development Goals.
- International Trade: It is yet to deliver on its potential to generate adequate resources to finance development needs. In this regard, the August agreement of the WTO General Council needs to be worked out speedily and effectively in a manner that addresses developing countries' concerns as expressed and acknowledged in the Monterrey Consensus.
- Debt: Relief and debt sustainability are issues that need to be adequately addressed as soon as possible in order to contribute to the achievement of MDG's. What is needed is to genuinely treat debt relief as a source of resources for development. We need to be serious and reconsider schemes to dealing with the debt of Low-Income Countries, particularly LDC's.
- Addressing systemic issues: The issue of voice and participation of developing countries in the BWI's, WTO, and all other fora that formulate policy recommendations including codes and standards for the financial sector must be more energetically pursued. More serious and genuine efforts are needed in this regard.

In this context, the G-77 and China notes that the report of the Secretary General (A/59/218) recognizes that developing countries have taken a series of policy measures that reduce their exposure to external developments which affect their economies negatively. These measures aim at generating additional resources for financing development while recognizing the need for the promotion and consolidation of better international financial governance. To that end and with a view to identifying alternative sources of financing that reflect a common understanding of the international community, new and innovative sources of financing have been proposed over the years to raise funds for development purposes.

The Group welcomes the efforts to address the issue of innovative sources of financing in light of the unacceptable existing financing gaps. In this context, we look forward to serious consideration of the different proposals, in particular those contained in the recently launched initiative. The Group stresses that such proposals serve as a complement to other efforts of financing development addressed in the Monterrey Consensus, including ODA, trade as engine for development, and other issues of concern to the international developmental agenda.

What is essential but sadly lacking in effectively mobilizing the innovative sources of financing as well as the more traditional sources of financing, is the requisite political will to make it work. We have repeated for the umpteenth time that developing countries have the primary responsibility for their own development, and we do not dispute that. We have read in the Secretary-General's report as well as in many other reports and studies about the many and courageous steps taken by developing countries to muster their own meager resources. It is common knowledge that those resources will not be sufficient on their own. However, their efforts have not been matched by commensurate

international action such as effective debt relief, full market access for their products or even the removal of barriers placed in the way of their products entering developed country markets. We have also not seen the achievement of the 0.7% ODA target, except for a few countries, nor expected FDI flows, nor have we seen the systemic reforms needed to give developing countries effective participation in the international norm setting and decision making processes.

Finally, the members of the Group of 77 and China recognize the link between the 2005 major event and the High Level Dialogue on Financing for Development scheduled to take place in the same year. In this regard, we look forward to the consideration of modalities of this Dialogue in the preparation of the 2005 major event.

Thank you.

