

**Address by His Excellency Ambassador Milos Alcalay, Chairman of the Group of 77, Permanent Representative of Venezuela to the United Nations, on behalf of the Group of 77 and China, at the G-24 Meeting**

**Washington, D.C., 19 April 2002**

---

Mr. Chairman,  
Excellencies,  
Ladies and Gentlemen,

1. Thank you, Mr. Chairman, for inviting me to address this important gathering of the G-24 on behalf of the Group of 77 and China. At the outset allow me to congratulate you for your leadership. I would like also to congratulate the other members of the Bureau. Your able leadership manifests the total confidence of the developing countries in your ability and experience in steering and guiding the deliberations of the G-24 towards its most successful outcome.
2. We are meeting at a time of great uncertainty and expectations. The economic crisis that has affected developing countries is a major threat to the future stability and growth of the South. Today, the international community is faced with multi-faceted challenge to effectively grapple with multidimensional problems facing developing countries particularly poverty. The international community has to address these issues as a matter of priority. Certainly, effective mobilization of financial resources for development as well as the creation of a conducive international environment poses the greatest challenges to the international community and to the financial institutions. This year's calendar of activities including the preparations for the Children's Summit, Johannesburg Summit and the World Food Summit should be fully explored in search of a new and more enlightened basis for international cooperation.
3. The information development and technological advances of the last decade have provided a stronger basis for economic growth. The world of today has the necessary resources, knowledge and expertise, as well as the technical means by which these assets can be shared between countries. Its global economic interdependence offers the prospects of higher productivity and living standards. However, it also links national economies to international economic environment. . The financial and economic crisis we are presently witnessing is global in its causes and its implications. Its negative impact will unfortunately be felt perhaps most severely by the developing countries because of the vulnerability of developing economies to external forces.
- 4 The South Summit of the G-77 held in Havana in 2000 pointed out to the inadequacies of the present economic order for achieving the goals and objectives of development and has called for meaningful reforms of the international financial system. This position has been reaffirmed at the recently held G-77 Chapters Meeting in Paris on 2 and 3 April 2002. In this context, the issue of strengthening the architecture of the international financial system should therefore become an important and major focus for the G-77 and the G-24.

Mr. Chairman,

5. The issue of financing of development is identified by the Group of 77 as the most critical and core issue in the quest of evolving a dynamic international cooperation for development. In fact, all of the outcomes of the major UN international summits and conferences have explicitly and implicitly addressed and highlighted the indispensability of financial resources for development. The reviews undertaken on those outcomes highlight that the major factor for not implementing effectively the recommendations of those outcomes have largely

related to deficient actions on financial resources for development. We do sincerely hope that Bretton Woods institutions and other partners in development undertake an effective follow-up for the Monterrey Consensus in order to achieve the objective set out in the Millennium Declaration.

6. The problem of inadequacy of financing of development is closely linked with the issues of external debt and development. External indebtedness has emerged as one of the major obstacle to the development efforts of developing countries. The development endeavours of developing countries, in particular towards the provision of social and economic services, severely hampered by the obligation to set aside a substantial portion of national budgets for serving external debt. This situation is further exacerbated by the negative effect of structural adjustment programmes, decline in ODA, deteriorating terms of trade of developing countries and sharp falls in commodity prices as well as escalating protectionism in the developed countries.

7. In order to effectively and meaningfully accelerate the development process of developing countries, there is an imperative need to reverse these declining trends in the ODA flows, which remains the principal source of development financing for most developing countries. In particular, developed countries should comply with the internationally agreed targets of ODA and commitments for new and additional resources as reaffirmed in Monterrey with view to assisting developing countries in achieving their development needs.

8. Eradication of poverty remains a priority goal of all developing countries. However, despite increased efforts to eradicate poverty, the total number of people living in poverty is increasing. The majority of the population in these countries continue to live in extreme poverty, unable to access basic human needs such as nutrition, health, water, sanitation, education, and housing. It is the view of the Group of 77 that Bretton Woods institutions should join the UN effort in formulating a global strategy for the eradication of poverty in developing countries. In this context, I would like to reiterate the position expressed by President Hugo Chavez Frias in Monterrey for the establishment of an International Humanitarian Fund as a matter of priority.

9. In conclusion, the Group of 77 considers it essential that collaboration between the UN system and the Bretton Woods Institutions should be strengthened at all levels. This is even more crucial with recent developments in the world, which started as a financial crisis but has far-reaching economic, social, humanitarian and political aspects. We therefore support the building of a strategic partnership between the United Nations the Bretton Woods institutions in accordance with the United Nations resolution 50/227, which calls for coordinating meetings to be held regularly.

10. In stimulating and sustaining economic growth, the Group of 77 believes that developing countries would benefit a great deal from the combined wisdom of the Bretton Woods Institutions and development institutions such as UNDP and UNCTAD and other UN agencies. The combination of expertise in macroeconomic policies and sectoral strategies in those organizations would enable developing countries to view development issues from a broader perspective.

I wish all success to you deliberations.

I thank you, Mr. Chairman.