



STATEMENT BY H.E. AMBASSADOR DUMISANI S. KUMALO, PERMANENT REPRESENTATIVE OF SOUTH AFRICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, AT THE SEVENTY-FIFTH MINISTERIAL MEETING OF THE GROUP OF 24 (WASHINGTON DC, 21 APRIL 2006)

Mr. Chairman, Excellencies, Distinguished Delegates,

On behalf of the Group of 77 and China, I would like to thank you, for inviting me to address this important gathering of the G-24. I would like to take this opportunity to acknowledge the important role of the G-24 under your able leadership in dealing with monetary and financial issues.

In view of the rapid progress of globalization and the continued uncertain prospects of global economic recovery the gap between the developed and developing countries is growing and has increased the balance in the global economic, financial and social architecture even further in favour of the developed countries.

We are only six years into the 21st Century, a third of the way to the 2015 target of reducing poverty by half and still billions are living in degrading poverty. If we are to succeed in fully implementing the internationally agreed development goals, including the Millennium Development Goals, by 2015, then full implementation of all commitments made at all the United Nations Summits and Conferences must be realized.

There is an urgent need for a concerted multilateral action to solve economic and social problems and thereby promote peace and security. In this context, the Group of 77 and China calls for the renewal of political will to implement already agreed commitments and for the creation of an enabling international economic environment in order to support developing countries' efforts to achieve sustained economic growth and sustainable development.

One of the fundamental reforms required would be for the United Nations which is the most representative global organization to work in a coherent manner together with the Bretton Woods Institutions that have a major role in the development of many countries. Key to this coherence is the active voice and effective participation by developing countries in the decision making processes of the Bretton Woods Institutions that is central to promoting the legitimacy, relevance and effectiveness of the international financial system and international financial institutions.

Developing countries have already prepared strategies and plans for development and many have accumulated sufficient practice and experience to know what would be required of them to achieve sustainable development. For this reason, the Group of 77 and China has called for developing countries to be allowed full policy space to achieve their own objectives. On the other hand, leading international monetary and financial institutions such as IMF and the World Bank must take into account national strategies including the policy framework adopted by the United Nations so as to ensure that their policies are in conformity with the developmental objectives of developing countries and are responsive to the needs and concerns of the poor.

The democratization of international economic decision-making must also allow for special and differential treatment for developing countries and the transfer of technology on concessional and preferential terms. This is crucial if developing countries are to succeed in eradicating poverty and accelerating economic growth in a sustainable manner.

The financial crisis of the last decade exposed weaknesses in the international financial system. The Group of 77 and China expresses its concern about the lack of surveillance and regulation of international currency trading, as well as the volatility of the international financial system, which have a detrimental impact on global financial and economic stability. Therefore, we would like to emphasize the need to strengthen the global financial architecture, including through the prevention, management and resolution of financial crises in a timely and effective manner, with a view to achieving a more stable, manageable, transparent and development-oriented international financial system.

Mr. Chairman Excellencies, Distinguished Delegates,

The Group of 77 and China is on record as welcoming the decision of the Group of Eight Industrialized Countries to address the debt burden that falls on many developing countries. We welcome the latest Multilateral Debt Relief Initiative (MDRI) and we urge its timely implementation. However, despite several initiatives undertaken over the past decade by the international community, the debt crisis persists as one of the main constraints for the development of developing countries, including middle-income countries. For this reason, the Group of 77 and China calls for

proposals on debt alleviation as well as for the consideration of significant debt relief or restructuring for low-and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Countries Initiative.

The Group of 77 and China has a long held position that debt sustainability should be linked to a country's capacity to achieve its national development goals including the Millennium Development Goals. We also emphasize that creditors and debtors should share the responsibility to prevent and resolve unsustainable debt burdens.

The importance of additional resources and the need for full implementation of aid commitments is not only linked to the comprehensive treatment of the debt problems of developing countries but also to the overall Official Development Assistance resources.

Mr. Chairman, Excellencies, Distinguished Delegates,

The Group of 77 and China wishes to express our deep concern for the erosion of development cooperation in terms of ODA and in this context call for the establishment of an effective monitoring mechanism to ensure that the internationally agreed targets for ODA allocation by developed countries of 0.7 per cent of GNP to the developing countries by 2015 and 0.15 to 0.2 percent of GNP by 2010 to the least developed countries are met as well as emphasizing the need to establish time tables by those countries who have not yet done so.

We are concerned that the efforts of developing countries to fully implement their commitments are hampered by the lack of provision of new and additional financial resources. This is further complicated by the lack of capacity building including the net transfer outflow that surpassed an estimated amount of \$350 billion dollars in 2004.

On this occasion, the Group of 77 and China wishes to emphasize the necessity to enhance the global partnership for development. The international community should consider new approaches to promote development cooperation, based on growth, stability and equity with the full participation and integration of the developing countries into the globalizing world economy.

The Bretton Woods institutions must play a more active role in close collaboration with the United Nations in formulating a global strategy for the eradication of poverty in developing countries and a constructive dialogue should be further promoted between the developed and developing countries. An opportunity to strengthen the global partnership for development will present itself next Monday when we hope many of you will take part in the "Special High-Level meeting of the Economic and Social Council with the Bretton Woods Institutions, the World Trade Organization and UNCTAD" to be held at the United Nations in New York.

Thank you.