



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY AMBASSADOR STAFFORD NEIL, PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS AND CHAIRMAN OF THE GROUP OF 77, ON AGENDA ITEM 54: "GLOBALISATION AND INTERDEPENDENCE", IN THE SECOND COMMITTEE OF THE GENERAL ASSEMBLY (New York, 27 October 2005)**

Mr. Chairman,

On behalf of the Group of 77 and China I wish to address Agenda Item 54: "Globalisation and interdependence". The issues covered are of vital importance to the development prospects of developing countries. I address, in turn, agenda item 54 (a) Globalisation and Interdependence, item 54 (b) Science and Technology for development, 54 (c) International Migration and Development; and 54 (d) Preventing and combating corrupt practices and transfer of funds of illicit origin and returning such assets to the countries of origin.

Mr. Chairman,

### **Globalisation and Interdependence**

On the first issue I wish to thank the Secretary-General for his report on Globalisation and interdependence: Building institutions for achieving the development goals and integrating in the global economy contained in document A/60/322.

The issue of globalisation is very wide with many different dimensions. The Secretary-General has elected to focus on institutional building and institutional capacity. In doing so he has drawn attention to a very significant constraint, a challenge, which the G-77 and China has sought to highlight over the years. There are two elements. One is institution building and strengthening at national and regional levels and the other is institutional reform and modernisation at the international level to permit the full participation of developing countries in rule-making and decision-taking. Both are vital to the beneficial integration of developing countries into a global economy dominated by the developed countries and their large private corporations. The historical arrangements which have persisted are unlikely to serve current needs under the very different conditions we now confront.

### **Limitations of the Market and Privatisation Approaches**

The G-77 and China is pleased at the recognition in the Secretary-General's report that a narrow focus limiting institutional reform to the liberalisation of markets and arrangements for securing private property rights –(which are the fundamental prescriptions of structural adjustment programmes and the Washington consensus) – these will not be sufficient to achieve the agreed development goals. The report has pointed to the dilemma of the social costs involved in the extensive privatisation of social sectors such as education and health.

We are therefore a little surprised therefore that the report then proceeds to argue that the principal challenge facing developing countries is to develop sound institutional foundations for the effective and efficient functioning of markets. It should be clear that given the limitations of the market, not all the strategies and institutional frameworks will or should be market based. There are many examples of cooperative institutions, for instance, which have been successful in meeting the financial needs of the poor, in particular women. These non-market based institutions have a critical role and should also be encouraged and strengthened where necessary.

Mr. Chairman,

### **Support for National and Regional Institution Building and Strengthening**

The G-77 and China supports the recommendation that developing countries consider putting institutional development high among their development priorities. Many developing countries already do. Their effort, must be complemented and supported at the global level.

Institutional development and capacity strengthening of the scale needed by developing countries require physical and technological infrastructure beyond their financial and technical capacity. It requires a supportive and facilitative international environment. Unfortunately this aspect of the challenge has not been discussed in any depth in the report which diverted towards a more theoretical discourse on issues such as the “definition of institutional change” and the “features of effective institutional change”.

Mr. Chairman,

The Group of 77 and China has given high priority to South-South Cooperation in capacity-building and strengthening including the establishing of regional cooperative arrangements in appropriate situations. In order to complement their efforts the Group of 77 and China has insisted at all UN conferences and summits on the need to give priority to facilitating capacity-building and strengthening in developing countries.

The outcomes of all the UN summits and conferences include commitments to capacity-building and institutional strengthening in developing countries. The High Level Plenary has now accepted that the outcomes of the various UN summits and conferences in the economic, social and related fields provide a broad vision for development. This would include the objectives of capacity-building and strengthening.

The real constraint to the implementation of summit and conference agreements including on capacity-building and institutional strengthening, (in spite of good initiatives by UN institutions such as UNDP), has been the level of external facilitation. It is therefore very surprising that the report places the main responsibility for action on the developing countries. Even more surprising is the fact that international support and facilitation is not raised as a significant issue in the Secretary-General’s report.

The G-77 and China would have expected strong recommendations from the Secretary-General in this critical area.

Mr. Chairman,

The report referred to General Assembly Resolution 59/240 of December 22, 2004 which recognised the importance of an enabling environment and policy coherence for the beneficial integration of countries into the globalising world economy and underscored the centrality of institutions and institutional coherence in the process. The report points out that there are “fundamental institutional gaps” at the global level. It sees the need to realign norms and rules, to apply principles of special and differential treatment, to strengthen the voice and participation of developing countries in global decision-making and norm setting and to make global economic governance more open, transparent and representative. Yet, in its specific recommendations the report limits itself simply to pointing to the requirement for a global sustained capacity and institutional development effort by the key institutions to promote the dissemination of institutional innovations in their areas of competence, and to recommend that the global institutional challenges in the areas of trade, finance, investment and technology need to be reviewed. It is not clear what types of institutional innovations institutions such as the IMF, World Bank and WTO could transmit for adaptation by developing countries.

In relation to the issues calling for coherence the report of the High Level Plenary has already re-affirmed the commitment to broaden and strengthen the participation of developing countries in international economic decision-making and norm settings and stressed the need for continuing effort to reform the international financial architecture. The Secretary-General in his next report could give more ideas in how to advance the issue of coherence and participation.

The challenge remains to get the major institutions to act and to make the required changes.

Mr. Chairman,

It is not clear to us how the recommendation in the Report to organise expert-level meetings will advance a process where policy decisions are needed. The World Bank and the IMF, for example, are well seized of the issues relating to governance in their arrangements. They have stated that they need clear policy directive. We cannot therefore support the recommendation for more expert-level meetings.

I might close on this issue by acknowledging that the Secretary-General has identified a critical issue but has given

little by way of recommendation to address it. The United Nations has a central role in the promotion of international cooperation and coherence and the Secretary-General should begin to offer recommendations to that end.

Mr. Chairman,

### **Science and Technology for Development**

I turn to Science and Technology for Development. I again wish to thank the Secretary-General for his Report in document A/60/322.

The report responds to resolution 58/200. The report is focussed on biotechnology and biotechnology related activities. More specifically on activities of and efforts at coordination among, the various UN agencies active in the field of biotechnology.

The G-77 and China appreciates the detailed information provided on the activities of the agencies and the coordination which is emerging especially through UN-Biotech, the inter-agency cooperation network on biotechnology. The report provides a good appreciation of the volume of resources in the United Nations system addressing the issue of biotechnology. It is clear that this is a resource which could help to bridge the gap between developed and developing countries in the important area of biotechnology and even assist developing countries achieve some of the Millennium Development Goals.

There is a proposal for work to map out a coherent system-wide strategy for delivering biotechnology products and services to "Member States" but this makes no distinction among states. We need to ensure that the proposal for the UN-Biotech to "serve as an advisory unit for developing countries on new trends in biotechnology innovations, policy and trade" does not simply reinforce the current pattern, of production of biotechnology products and services in the North for sale and consumption in the South.

Mr. Chairman,

The G-77 and China attaches particular importance to the section of the report on capacity-building. This section of the report identifies in many areas the need for action. The initiative of UNCTAD to set up the network of centres of excellence on science and technology in developing countries is highly commendable. We need to ensure that lack of resources to extend and to facilitate the creation of centres of excellence do not become a constraint.

Mr. Chairman,

Biotechnology is important but science and technology for development is much wider. The Group of 77 notes the contribution of the Commission on Science and Technology for Development which recognizes that without significant effort from the developed partners and the International Institutions to build up the capabilities of developing countries in new and emerging technologies, such as information and communication technologies and biotechnology, the Millennium Development Goals will not be reached. We have expressed our views on this in ECOSOC and support the work of the Commission in its work to encourage scientific and technological capacity building among developing countries, and to seek the expansion of its country reviews conducted on relevant policies of developing countries that lays the basis of exchanging experiences to promote diverse technologies in the South.

We welcome the contribution by various scientific and research institutions based in Trieste (Italy), especially the International Centre for Genetic Engineering and Biotechnology and the Academy of Sciences in the developing world, in supporting scientific research and training of scientists of developing countries. The active involvement of the International Centre for Genetic Engineering and Biotechnology, with the support of UNIDO, has raised the awareness of scientists of the third World on the importance of science and technology in development.

In concluding, let me stress once again, on behalf of the Group of 77 and China that, advances in science and technology will certainly help developing countries to experience significant progress in agriculture, health, energy, trade, water and environmental protection, which represent in essence the Millennium Development Goals. For that reason, the Group of 77 has established, in response to the South Summit decision, an incentive to encourage scientists from the South to undertake research. In this context, the first "Group of 77 Award on Science, Technology and Innovation" was granted to Professor P. Prieto from Columbia, for his remarkable research in Physics, which coincides this year with the United Nations International Year of Physics 2005.

Mr. Chairman,

## **Migration and Development.**

I turn now to the issue of International Migration and Development.

This is one of the most important challenges confronting decision-makers in a rapidly globalising and interdependent world with improved transportation systems to move people. Migration has opportunities but faces many challenges. In resolution 58/208 of December 2003 the General Assembly decided to convene a high level dialogue to discuss the multidimensional issues of international migration and development in its sixty-first session.

The Secretary-General was requested to report to this session on the organisational aspects for the High Level Dialogue.

I wish to thank the Secretary-General for his report in document A/60/205.

The report recalls the purpose of the high level dialogue as determined in the General Assembly resolution and makes recommendations on participation, the programme and the date. There is no recommendation on content.

The report points to the Global Commission on International Migration and its recommendations which have been made available to ECOSOC.

The report of the Global Commission is substantial. It brings to the fore a number of critical issues for action at national and international levels. The G-77 and China has not been able to complete its analysis of the findings and recommendations of the report. We would support this as an important input in the preparations for the High Level Dialogue.

We are not however suggesting that all the recommendations of the Global Commission await the High Level Dialogue.

Mr. Chairman,

## **Preventing and combating corrupt practices and the transfer of assets of illicit origin and returning such assets to the countries of origin.**

I turn now to the issue of Preventing and combating corrupt practices and the transfer of assets of illicit origin and returning such assets to the countries of origin.

I thank the Secretary-General for his report in document A/60/157.

The report is essentially a summary of reports submitted by member states in response to resolution 59/242 of December 2004 in which the General Assembly had invited action towards the implementation of the United Nations Convention Against Corruption. The reports submitted were of action being taken to prevent corrupt practices and illegal transfer of funds and not limited to action on the convention.

The report highlights that 29 instruments of ratification of the convention have been submitted and that the convention will come into effect 90 days after the 30 th instrument of ratification has been deposited. The Secretary-General has also drawn attention to the limited resources made available to promote the implementation of the convention.

Our real objective is to promote the repatriation of funds illegally transferred from developing countries. There are substantial sums involved and there is need for increased collaboration with the developed countries and their financial institutions in uncovering illegal transactions, locating the funds and arranging for their return to countries of origin. We should continue to seek creative ways to reach these objectives.