



STATEMENT BY AMBASSADOR STAFFORD NEIL, PERMANENT REPRESENTATIVE OF JAMAICA TO THE UNITED NATIONS, CHAIRMAN OF THE GROUP OF 77, AT THE INFORMAL CONSULTATIONS OF THE GENERAL ASSEMBLY ON THE REPORTS OF THE HIGH-LEVEL PANEL ON THREATS, CHALLENGES AND CHANGE AND THE UN MILLENNIUM PROJECT 2005 (New York, 22 February 2005)

Mr. President,

The G-77 and China had opportunity to express our views on the reports of the High Level Panel on Threats, Challenges and Change and of the Millennium Project during informal meetings of the General Assembly on 27 January and 10 February 2005 respectively. Our present statement must be read in conjunction with those two statements to which we remain committed.

Mr. President

The two Reports recognise the overarching importance of economic and social development issues for the United Nations and establish the inextricable link with peace and security. The leaders of the world in 2000, recognised the primacy of the development challenge by establishing the Millennium Development Goals to urgently address the worst manifestations of underdevelopment. The G-77 and China believes strongly that while the threats to peace and international security may have increased in recent years, the international community should continue to focus on the fundamental underlying cause of current problems - the persistence of underdevelopment. It should be considered as a basic and fundamental issue in all its dimensions, not simply as an economic and social threat to peace and security. Such a narrow and restricted approach to development issues is untenable.

The Millennium Project Report shows us with meticulous and detailed facts and figures that based on performance over the last five years, we will fail to meet most of the Millennium Development Goals by large margins. Without corrective measures, the development gap will continue to widen even further. In our view, the Summit in September must not only recommit to the attainment of the Millennium Development Goals and provide the required acceleration to meet the agreed deadline; it must also address the resource needs, the constraining systemic issues and the international governance requirements for the global partnership envisaged in the Millennium Summit, as well as the Conferences of Rio, Beijing, Copenhagen, Cairo, Monterrey, Johannesburg and in the Almaty, Brussels and Mauritius Programmes of Action.

Mr President,

I wish to address three areas in which the G-77 and China would expect the Summit to advance or give firm direction to creating a concrete programme of immediate and long-term measures.

Resources

The first relates to resources. Any serious effort to address the Millennium Development Goals and other critical areas of development will require mobilisation of substantial financial resources in addition to that which can be generated domestically. We draw inspiration from the assessments of the Millennium Project Report as well as statements by leaders in donor countries that the required financial resources can be found. We therefore believe that the Summit should:

- Commit to reaching the contribution of 0.7 percent of Gross National Income (GNI) of developed countries on specific time frames within the 2015 period on the basis that the 0.7 percent represents an absolute minimum and that development assistance on this scale is urgently required for all developing countries, including middle-income countries;
- Agree to an urgent comprehensive package to relieve developing countries of the burden of external debt. This would require, *inter alia*, the total cancellation of bilateral and multilateral debt, particularly for the LDCs and the provision of future assistance in the form of grants to the more highly indebted countries. Implementation of existing commitments, especially to Africa, should proceed urgently;
- Agree to transparency and accountability in the use of Official Development Assistance and other resources including resources from debt relief arrangements;

- Agree on the need to make international financial assistance available to enhance South-South cooperation, therefore enabling developing countries' to successfully replicate experiences on the scale needed to contribute to the achievement of the MDGs;
- Agree on the elimination of policy conditionalities in relation to the provision of development assistance;
- Agree to make improvements in the processing and delivery mechanisms for development assistance to increase aid effectiveness and reduce transaction costs;
- Agree to develop creative measures and mechanisms to encourage and promote private direct investment in developing countries. These should not be accompanied by additional burdens or conditionalities on developing countries; and
- Agree to explore new and innovative sources of finance, including voluntary sources, which can complement official flows and private direct investment and promote growth and development in recipient countries. They should not be regarded as substitutes to ODA, neither should they involve additional conditionalities on developing countries.

Policies

Second, Mr President, the Summit should address or direct relevant bodies to formulate policies to eliminate systemic inequities which constrain economic growth in Developing Countries in all relevant areas such as:

- **Trade** . Trade policies, rules and modalities should have a development focus. The Summit should direct Trade Ministers meeting in Hong Kong in December 2005 to ensure that the development dimension is fully integrated in all aspects of the Doha Work Programme and that special priority be given to the Implementation Issues; to improved market access for all developing countries and to the application of special and differential treatment. We would also stress the importance of the universalisation of the membership of the WTO and of ensuring entry of developing countries to that Organisation. We also draw attention to the recommendation in the Millennium Project Report for the strengthening of supply side capabilities in developing countries to improve export competitiveness. We believe that the Summit should promote such a programme which would help to promote fair trade.
- **Technology** . Existing policies should be liberalised to ease access to technology and thus reduce the technology gap between developed and developing countries. The relaxation of protective rules and the transfer of environmentally sound technology on preferential terms should be encouraged by the Summit. It should promote reduction in the digital divide and support efforts to be undertaken at the World Summit on Information Society to be held in Tunis from 16 to 18 November 2005.
- **Monetary and Financial Affairs**. The Summit should call for a review of existing global monetary and financial arrangements and their impact on developing countries, including the risks from volatility in capital transactions, instability in exchange rate regimes and the dangers of instability and crisis arising from contagion. The Summit should call for reform of the global financial architecture to reduce these risks.
- **Labour mobility** . The global policies of liberalisation of capital, goods and services have not been complemented by any policies or regime for the movement of labour, in particular semi and unskilled – the other major factor of production and trade. As globalisation accentuates inequalities especially in employment opportunities, the need arises for addressing this neglected area in global economic relations. The Summit should direct attention to this issue.
- **Development Policy** . The Summit should explicitly acknowledge that there is no single sustainable model for development. Developing countries face a diverse range of economic conditions, constraints and opportunities. Development plans and policies should be determined through internal processes based on national priorities and the right of states over their natural resources.
- **The Environment** . Development should proceed in a global environment in which it can be sustainable. In the Rio Declaration and Agenda XXI and the Johannesburg Plan of Implementation, we have all agreed on several principles and actions to promote sustainable development. The Summit should urge the early and full implementation of those commitments as well as the Kyoto Protocol which recently entered into force.

- **Health** . The Summit should call for anti-retroviral drugs to be made available and more affordable to developing countries to reverse the spread of the HIV/AIDS pandemic and other communicable diseases that continue to pose serious social and economic threats to developing countries, particularly the African continent. It should also support the focus of the Millennium Project Report as well as the Report of the High Level Panel on the importance of strengthening public health systems in developing countries, including on issues pertaining to reproductive health. The increase in the levels of assistance to developing countries should be encouraged and commitments adhered to and fully implemented.

Global Governance

Mr President,

The third area is in relation to machinery. We note that while both the High Level Panel Report as well as the Millennium Project Report have identified the need for improved co-ordination and policy co-operation as well as overall global economic management, neither Report made concrete proposals for consideration. It was evidently not part of the mandate of the Millennium Project Report and in the case of the High Level Panel the focus was on security issues and on the Security Council. The fact is, however, that the unevenness and imbalances which characterise the current phase of globalisation, make a compelling case for urgent attention to the international architecture in global economic management.

The G-77 and China has continually called for reform in the interest of efficiency and democratic participation. Steps should be taken at the Summit to reform the UN machinery for economic governance. The focus must necessarily be on the ECOSOC which has the mandate under the Charter. We consider unacceptable the analysis of the High Level Panel in paragraph 274 of its Report and the minor role it would assign to the Council. We believe that the ECOSOC should be suitably empowered and its role strengthened in keeping with the primacy we attach to issues of economic and social development.

One area which needs attention is the effective monitoring of implementation of UN conference decisions and intergovernmental oversight of the UNDG administered development programmes.

A second area is improvement in policy co-ordination to promote greater policy coherence in the international system. The ECOSOC should bring together the major agencies, especially those involved in the formulation of international policies in the areas of trade, technology and finance and build on the current process in the annual High Level Spring meetings with the Bretton Woods Institutions, WTO and UNCTAD. These meetings could be held over a more extended period and structured to provide more action-oriented outcomes in the form of recommendations or guidelines on policy matters.

In general, more needs to be done to make ECOSOC more active as a development forum both in terms of economic policy formulation as well as in functional programmes in economic cooperation.

General Principles

Mr President,

The G77 and China believes that the Summit should seek to adopt a development agenda which can provide the basis for sustained economic growth for developing countries by the removal of imbalances and disequilibrium which promote impoverishment and impede the implementation of the MDGs and other intergovernmentally agreed goals. We need to create an enabling international environment in which the collective concerns of the global community are addressed that real progress in social and economic development will be realised. The Summit should call for the ending of occupation, unilateral punitive sanctions and coercive measures which are contrary to the principles of the Charter and the spirit of global partnership.

I would also wish to draw attention to the need for the international community to advance clear but specific recommendations to improve the situation of African countries which continue to face severe social and economic constraints. We have a collective responsibility to ensure that the special needs of Africa are comprehensively addressed so that they too can benefit from global economic growth and prosperity. We expect donors who have announced Africa-specific initiatives to translate them into concrete action in support of the objectives and priorities of the NEPAD. We urge the Secretary General to make concrete proposals to address the situation in Africa, including as we have proposed, through debt cancellation and the provision of international financial assistance.

Conclusion

Mr President,

We expect that the Secretary General's Report will reflect the deep concerns of the developing countries and provide recommendations which would assist leaders at the High Level Event to take the bold actions necessary to stimulate and sustain the level of development required to meet the MDGs and other internationally agreed development goals.

Thank you, Mr. President.