



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA
BY NATALIA HANDRUJOVICZ, THIRD SECRETARY, PERMANENT MISSION OF ARGENTINA
TO THE UNITED NATIONS, AT THE FIFTH HIGH-LEVEL DIALOGUE ON FINANCING FOR
DEVELOPMENT OF THE UNITED NATIONS GENERAL ASSEMBLY
New York, 7 December 2011**

Mr. Chairman,

1. I have the honour to deliver this statement on behalf of the Group of 77 and China.

2. The Group welcomes and encourages the convening of this fifth High-level Dialogue on Financing for Development, in accordance with General Assembly resolution 65/314. We believe that this is an opportunity to review the status of implementation and tasks ahead of the Monterrey Consensus and the Doha Declaration on FfD.

Mr. Chairman,

3. The G77 and China reiterates once more its serious concern on the negative implications of the ongoing economic and financial crisis on development, as well as its damaging impact on the flow of direct investment, external debt, and international trade.

4. The continuing financial and economic crisis is negatively affecting the growth prospects of many developing countries, reversing development trends, leading to increased poverty and generating important limitations to enact appropriate fiscal measures to mitigate its impacts on development.

5. Particularly, due to the globalization process, which has further escalated the impact of international environment on the national economy, the critical impact of external factors on the internal capacity for mobilization of domestic resources has increased. Economic growth is essential for enhancing the mobilization of domestic resources; however, many developing countries are far from reaching the necessary growth rate and investment ratios that could lead to sustainable development. Therefore, in addition to domestic policies and actions, it is imperative to discuss measures that lead us to an enabling international environment.

6. It should be recognized that national efforts must be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty. In this regard, we urge a strong commitment by the international community to mobilize adequate resources to facilitate sustained economic growth in developing countries.

7. The 2010 Millennium Summit reiterated the critical importance of fulfilling all Official Development Assistance commitments and encouraged all donors to establish timetables to reach their goals. Likewise, the Istanbul Programme of Action called upon donor countries to implement their ODA commitments by 2015 and consider further enhancing the resources for least developed countries.

8. In the view of the G77 and China it is high time for donor countries to sit down with developing nations and agree on mechanisms to fulfill their commitments concerning official development aid, including the commitment to allocate 0.7% of their GDP towards international cooperation.

Mr. Chairman,

9. We would like to underline that almost all developing countries in various stages of development are facing challenges - one way or another - regarding debt sustainability. There is a need to undertake an overall approach and solution. In this line, the G77 and China stresses the importance of holding comprehensive discussions, including within the United Nations and other appropriate forums, on the need and feasibility of new sovereign debt restructuring and debt resolution mechanisms that take into account the multiple dimensions of debt sustainability and its role on the achievement of the internationally agreed development goals, including the Millennium Development Goals. In this regard, the Group welcomes the consensus achieved in the negotiation of the "External Debt Sustainability and Development" Resolution to discuss this issue and the

role of Credit Rating Agencies in this fora in the short term. Even though we believe much more has to be done, the consensus obtained represents a step forward.

10. On the other hand, the Group considers international trade to be a vital tool to provide long-term sustainable growth. Market access continues to be a major obstacle to the exports of developing countries. Moreover, issues such as discretionary and unilateral trade measures; lack of transparency, open and predictable markets; trade financing; trade-related technical assistance; special and differential treatment for developing countries; forbidding use of various standards for protectionist purposes -to mention only a few among a rather long list- are major topics for our discussions

11. In order to fully harness the potential of trade, it is important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly for developing countries. In this context, all countries should desist from all protectionist measures, particularly developed countries, including agricultural subsidies and non-tariff barriers to trade, and rectify any trade distorting measures already taken. We call for the fulfillment of all commitments contained in the 2005 Hong-Kong Ministerial Declaration of the World Trade Organization in favour of Least Developed Countries.

Mr. Chairman,

12. Furthermore, we would like to reiterate the central role played by the United Nations as a focal point for the financing for development follow-up process and the need to maintain that role to ensure the continuity and dynamism of the process, while reaffirming the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, the International Monetary Fund and the World Trade Organization, in the follow-up and implementation of the commitments made at Monterrey and Doha.

13. The Group is of the view that many systemic problems facing the global economy have yet to be resolved. The reform of the global financial architecture is an unfinished business, and all efforts in this area must be intensified. Addressing systemic issues including enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development should find a paramount place in our agenda.

14. In this regards, the G77 and China stresses again the need for a substantive and comprehensive reform of the international economic and financial system and architecture, including mandates, scope and governance of the Bretton Woods Institutions (BWIs). These reforms must reflect current realities and ensure full voice and participation of developing countries in the decision making and norm-setting process of the BWIs, in order to address the democratic deficit of these institutions.

Mr. Chairman,

15. The G77 and China reiterates its position regarding the need for a strengthened monitoring mechanism, which leads us to a Follow up Conference on 2013 and the creation of a Commission on Financing for Development.

16. To these ends, it is expected that the report to be submitted by the Secretary General next year, will be focused on this proposal and include -in the framework of the analytical evaluation of the institutional arrangements of the follow-up process- proposals to be considered by Member states on organization, membership, structure, mandate, scope, and other relevant aspects of a Commission of FfD under the General Assembly.

17. Finally, together with underlining the crucial importance of FfD to the success of the development process and the need to hold a Follow-up Conference on 2013, I would like to emphasize the readiness of the G77 and China to interact constructively and substantively in this process in order to reach a very successful outcome.

18. To conclude, let me reiterate once again, on behalf of the Group, that we are committed to a very open, honest and objective exchange of views with all our partners here. We believe that our discussions and deliberations on various topics of the substantive agenda of the High-level Dialogue should contribute substantively to the outcome of the current session and help us to move forward in the implementation of the commitments made in Monterrey and Doha.

I thank you Mr. Chairman.