

STATEMENT

BY

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PRIME MINISTER OF JAMAICA

ON BEHALF OF

THE

GROUP OF 77

IN THE

FINANCING FOR DEVELOPMENT SESSION

UNITED NATIONS GENERAL ASSEMBLY

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Mr. President
Distinguished Heads of State and Government
Mr. Secretary-General
Excellencies
Ladies and Gentlemen

Mr. President,

The Group of 77 and China, on whose behalf I speak, is most pleased to have you preside over this important meeting.

We meet to assess our effort at providing the financing necessary for the development of the developing countries in the context of our joint commitments made at the Millennium Summit, the 2002 Monterrey Conference and the other development-oriented conferences and summits since the 1990s. Looking ahead, we must determine and provide the additional financing required to ensure achievement of the development objectives and goals, including *the* Millennium Development Goals (MDGS) within the time-frame of 2015.

ASSESSMENT OF THE OVERALL TRANSFER OF RESOURCES

Since the Millennium Summit, the developing countries have made total net transfers of over US\$1,174.3 billion to the developed countries.

These negative transfers have persisted, despite the commitments by the developed countries to increase Official Development Assistance, to reduce debt and debt-service payments, to open their markets to the products of developing countries and to encourage private Investment In developing countries.

one explanation for this is that, while resources from developing countries flow to developed countries without impediments, the initiatives and programmes of developed countries which would transfer resources or provide access to developing countries have either been negligible, bogged down in negotiations, or ringed with strict policy conditionalities.

PERFORMANCE IN INDIVIDUAL AREAS FOR RESOURCE MOBILISATION IDENTIFIED IN THE MONTERREY CONSENSUS

DOMESTIC RESOURCES

As clearly stated in the *World Economic and Social Survey 2005: Financing for Development*, developing countries have been making

significant efforts and have increased domestic resources. A large portion of these resources has not been available for developmental investments as Governments have had to use it for debt servicing, particularly to the multilateral development banks and as "international reserves".

INVESTMENT FLOWS

These have recovered from the low annual average of US\$48 billion in 1998-2002 to US\$152 billion in 2004 - which was the average for the five years prior to the Asian Crisis. These flows, mainly direct foreign investment, are concentrated in a few large developing countries, however, while flows to regions such as West Asia and Latin America and the Caribbean have been in steady decline.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

We were naturally most disappointed to note that, up until recently, there was a precipitate fall-off in the implementation of commitments after the Monterrey Consensus, particularly in the mobilisation of financial resources for development.

The G77 and China is, therefore, most encouraged by recent commitments to substantial increases in ODA, and by the establishment of firm timetables by the European Union for its Members to increase their ODA and to reach the 0.7 per cent target. We urge other developed countries to establish similar firm timetables.

DEBT

There have been:

- Reductions in the ratios of debt to Gross National Income and debt service-to-export earnings since 2000 due to strenuous efforts at repayment by developing countries and some debt relief, especially to the HIPC countries by developed countries;
- Some new initiatives, including the G-8 decision of July 2005, to reduce further the debt of some HIPC countries;

With due deference to the 2003 "Evian approach", of the G8 Finance Ministers, there has however been no real initiative to address the debt of non-HIPC low income and middle income developing countries. This burden is heavy for many of these countries.

TRADE

There has been no progress in the Doha Development Round launched in 2001 and, consultations to date have not yielded any fundamental instructions to the Hong Kong Ministerial Meeting in November 2005 to advance the situation in favour of developing countries.

NEW INNOVATIVE SOURCES

There have been many studies and proposals in this area, including the initiative of the President of Brazil on Action against Hunger and Poverty. We welcome all these initiatives, but note that none have reached a stage of agreement for implementation.

THE WAY FORWARD

Mr. President,

We need to be ambitious and determined in the face of:

- The assessment that we are not on track to meet the objectives of any of the development oriented summits or conferences or most of the MDGs - largely due to limitations of financing; and
- Average annual net transfers of over US\$230 billion from developing countries to the developed countries.

Mr. President,

We must not only set targets but see to their implementation in a time-bound manner.

It should by now be abundantly clear to all of us that we cannot cross this development financing chasm by any series of small steps.

We need to make a giant step.

I thank you.