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SECRETARY-GENERAL'S REMARKS TO GROUP OF 77 MEETING IN SAO PAULO

(Reissued as received.)

This is the text of remarks by Secretary-General Kofi Annan on Saturday (12 June) at a special ministerial meeting of the "Group of 77" developing countries in Sao Paulo, Brazil:

It gives me great pleasure to join you in celebrating the fortieth anniversary of the Group of 77. This is an appropriate occasion to do so, since it was at the end of the first session of the United Nations Conference on Trade and Development that your group was formed, as developing countries found strength in their increasing numbers, and coalesced around common interests.

The world has changed dramatically in the course of these four decades. In 1964, some of today's G-77 members had not yet gained independence. The cold war seemed a permanent feature of the global landscape. Even as recently as three years ago, few of us anticipated the events of 11 September 2001, or the changes that have followed them.

And yet, the rationale and vision of the Group of 77 are as relevant as ever. Consider the following statements:

-- "Insufficient progress has been made by developed countries in dismantling import tariffs on tropical products..."

-- "Although modern technology offers developing countries great possibilities to accelerate their economic development, its benefits are largely by-passing them due to its capital- and skill-incentive nature"

-- "Ending the division of the world into areas of affluence and intolerable poverty ... is the outstanding challenge of our times".

You might think these are excerpts from today's newspapers -- or possibly language from the document being negotiated as the outcome of UNCTAD XI. In fact these words come from the Group of 77's earliest documents. But I do not mean to suggest that we have come full circle. The Group of 77 has made contributions in advancing the global development agenda. You have supported the work of the United Nations on social, economic and environmental issues.

As individual countries, many of you have made significant progress in raising life expectancy and lowering child mortality, and in some cases

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achieving spectacular economic growth. Our challenge today is to consolidate those gains, while at the same time addressing the needs of those countries that have yet to advance or have even regressed.

The sad truth is that the world today is a much more unequal place than it was 40 years ago. Debt crises have revealed serious weaknesses in the international financial architecture. Too many developing countries remain dependent on the export of primary commodities for all or most of their foreign currency earnings, leaving them vulnerable to price declines and volatility. Developing countries also suffer from a lack of access to markets of developed countries, and from other imbalances and injustices that have led you to raise questions about the basic fairness of the global trade regime. If these years have taught us anything, it is that opportunities for development need to be more equally distributed.

But these four decades have also seen the emergence of new developmental opportunities, such as the spread of information technologies, and new obstacles, too -- none more devastating and potentially destabilizing than the spread of HIV/AIDS.

All of this underscores the need for international development cooperation to be based on a true partnership between the developed and developing world. Both groups of countries have responsibilities, and both should be held accountable. If once there was a tendency to play the "blame game", I hope today we are moving toward an era of mutual understanding and cooperation. That is the vision set out in the conference cycle of the 1990s, and in more recent years through the Millennium Declaration, Monterrey Consensus and Johannesburg Plan of Implementation. And it will be a theme running through UNCTAD XI.

The conference that has brought us to Sao Paulo is an opportunity. You can promote greater attention to the plight of many of your members, in particular the marginalization of the least developed countries. You can articulate your concerns about incoherence among the array of market forces, national policies and international rule-making that influence your ability to develop and grow. And you can state your case for closing the democratic deficit that limits developing country participation in decision-making in key international bodies.

But each of you must also look inward, and build on the progress you have made in improving governance and economic management. Building democratic institutions is essential, as are popular participation in decision-making and the protection of women's rights. The most vulnerable members of society should also have a special claim on your attention, and I hope that even as you strive for fiscal prudence you will also ensure that the necessary social investments and safety nets are put in place.

Developing countries have recognized that they have the primary responsibility for their own development. Donor countries and agencies, for their part, are gradually ceding ownership over programmes and projects. I urge you to continue along this path of reform. By clearly upholding your responsibilities, you will not only help your own people, you will also put even greater pressure on the developed countries to take the steps towards true partnership that they have preached but not yet practiced in full.

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The economic and social changes of the past four decades have increased the diversity within your Group, while the political changes have brought you closer together. That unity is one of your greatest assets.

To quote again from some of your founding documents, 40 years ago you said that unity was "an indispensable instrument". The United Nations, another indispensable instrument, has been pleased to be associated with your group and its goals from your very beginnings. I look forward to working closely with you towards a safer, fairer, more prosperous future for us all. Thank you very much.

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