



**STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. AMBASSADOR KINGSLEY MAMABOLO, PERMANENT REPRESENTATIVE OF THE REPUBLIC OF SOUTH AFRICA TO THE UNITED NATIONS, CHAIR OF THE GROUP OF 77 CHINA, AT THE SECOND DRAFTING SESSION ON THE ZERO DRAFT IN PREPARATION OF THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO TAKE PLACE IN ADDIS ABABA, ETHIOPIA (New York, 13 April 2015)**

Mr. Chairman,

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

At the outset, I would like to acknowledge, with sincere thanks and appreciation, the leadership role of the Co-Facilitators in the preparatory process towards the upcoming third Financing for Development International Conference, to take place in Addis Ababa, Ethiopia.

As a first, and critical, priority, the Group of 77 and China requests further clarity on the proposed process to be followed during this important Session. This pertains, *inter alia*, to the timing around inter-sessional consultations and drafting sessions to cover important work to assist all of us to reach an outcome in Addis Ababa. Resolution 68/279 of the Modalities for the third International Conference on Financing for Development expressly provided for this possibility in Operative Paragraph (OP) 13. The Group would like to recommend to the Co-Facilitators to further explore the possibility of having additional consultations and drafting sessions between the second

Drafting Session and the final Addis Ababa Conference. This would provide the time necessary to complete our important work of finalizing a strong, meaningful Outcome Document, building on the conceptual framework of the Monterrey Consensus and the Doha Declaration. The Group is of the firm view that this is necessary, in order to deliver tangible and meaningful progress before delegations depart New York for the third International Conference on Financing for Development in Addis Ababa.

The Group therefore calls on the Co-Facilitators to study the calendar of other United Nations (UN) meetings and propose an expanded programme of work, detailing additional inter-sessional consultations and drafting sessions to assist all Member States to carry out successfully the important mandate of ensuring that the objectives of the Conference can be achieved.

Mr Chairman,

The Group of 77 and China would like further clarity on the process to be followed during our negotiations on the Zero Draft. There is a need for Member States to be in agreement on how best to engage on the draft text to ensure that nothing is overlooked in terms of the key elements Member States would like to put forward to assist all countries, including developing countries, in their quest to make financing the development agenda meaningful at all levels, including addressing their local realities.

The Group is of the firm view that the inter-governmental process should be the basis for these consultations and negotiations, therefore ensuring that the process is Member State-driven. We therefore request an undertaking that this important element would be respected. We trust that the Member State-driven negotiations of the Outcome Document will be started as soon as possible.

Mr Chairman,

The Group of 77 and China would like to also make brief substantive comments on the Zero Draft text. The integrity of the financing for development agenda must be

maintained, in order for it to continue to be an over-arching process to address financing issues, especially for developing countries.

The Group of 77 and China therefore calls for the Chapeau of the Zero Draft to focus on the economic pillar, the economic system and systemic issues, in order to elaborate in detail the objectives of the FfD process. The issue of policy space for national governments must also be respected. Individual Member State regulations on public domestic financing must be the prerogative of national governments, in accordance with their own specific needs and objectives. The manner in which additional forms of financing are incorporated must also recognize the role of governments in regulating financing channels to fund development programmes that are being implemented in their countries.

The Group proposes explicit inclusion of the vision that was encapsulated in the Chapeau of the founding UN Outcome Document of the financing for development process, the Monterrey Consensus, that boldly stated, (and I quote) “Our goal is to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system” (end quote). This important element, which is conspicuously absent from the current text, needs to be reaffirmed and included up front, as it was in Monterrey.

The Group of 77 and China also observes that the current Chapeau has not addressed pertinent issues with regards to ODA. The Group is of the firm view that ODA represents the major source of financing for the development of many developing countries and it must target the eradication of poverty in its multiple dimensions.

The Group further proposes that the unfulfilled ODA commitments on the unfinished Millennium Development Goals (MDGs) should be carried forward and the impact of the “ODA deficit” be assessed and estimated in the context of the review of the implementation of the Monterrey Consensus and Doha Declaration, as a matter of urgency.

Mr Chairman,

The Group of 77 and China would like to further state that it is imperative that the structure and holistic approach of the Monterrey Consensus and the Doha Declaration be retained, to ensure continuity of purpose and commitment, as we are not starting from scratch, nor working in a vacuum, as far as the financing for development process is concerned. In that regard, the titles and respective substantive focus of each of the chapters of the afore-stated two important international meeting outcomes need to be retained. We shall await further comments from Member States with regard to possibilities to expand the scope of the Addis Ababa meeting outcome and would need to be convinced on the way to proceed based on a clear rationale and understanding that is in the best interests of all countries, including developing countries.

The current chapters of the Zero Draft lack precise, actionable goals. It is not clear how developing countries would benefit from them. It would therefore be critical to raise the level of ambition in terms of the goals we want to set for ourselves in attaining financing for development.

Mr Chairman,

There is an inter-linkage between the domestic and international actions as far as financing issues are concerned. The Group is also conscious of the fact that governments at the national-level have a role to play in addressing development issues and would require the necessary policy space and enabling global environment in fulfilling their obligations in this regard.

With regard to possible linkages and synergies of the FfD process with the other processes, particularly on the Means of Implementation (MOI) in the context of the post-2015 development agenda, there are some points that the Group wishes to raise:

- Firstly, Member States have agreed that the report of the Open Working Group on the Sustainable Development Goals would be the “main basis” of the post-2015 development agenda’s inter-governmental negotiations, as it integrates

MOI both as a stand-alone goal and also within each goal. In this regard, the Group underlines the need for stronger synergies between the post-2015 development agenda and the third International Conference on Financing for Development.

- Secondly, in the context of the linkages, while the focus of the FfD Conference should primarily be on its core mandate and scope, as contained in General Assembly *Resolution 68/204*, it should consider the specific MOI for SDGs, taking into account and building on the MOI goal and targets as contained in the report of the OWG SDGs without prejudicing, pre-judging or precluding discussions on MOI under the post-2015 development agenda negotiation track.
- Thirdly, it is also the Group's view that the FfD process should complement and support the elaboration of the post-2015 development agenda. As such, it should provide a set of tools that will support the implementation of the post-2015 development agenda. However, FfD is a separate process and its scope goes well beyond merely financing the SDGs. In a similar manner, the post-2015 development agenda would draw from, but not be limited to, the MOI contemplated in the FfD outcome, in light of its adequacy and relevance for the implementation of its goals and targets, but this will not exhaust its available resources and MOI, which go beyond those that will be elaborated by the Addis Ababa outcome document. The Group would also like to stress that there should be no attempt to replace the mandate of the financing for Development process with financing for sustainable Development. Efforts in this regard are not supported.
- Fourthly, the Group of 77 and China calls upon developed countries to agree and commit to a new phase of international cooperation through a strengthened and scaled-up global partnership for development, which should be the centrepiece for completing the unfinished business of the MDGs and implementing the post-2015 development agenda, taking into account the unfortunate, hard lessons learnt from the gaps in the implementation of MDG8.

The global partnership also should be based on Common but Differentiated Responsibilities (CBDR) and the unfinished business of MDG8 should continue. The international community should provide an enhanced and adequate MOI to developing countries, including through quantitative time-bound financing targets, besides those established for ODA, debt relief and debt restructuring, trade, technology transfer and greater participation of developing countries in global economic governance. The Group would like to reiterate that North-South Cooperation is still the core of the global partnership for development. South-South Cooperation, triangular cooperation and the private sector are complements rather than substitutes of North-South Cooperation.

Mr Chairman,

Our preparations for the third International Conference on Financing for Development take place in a critical context, with many least developed countries continuing to lag behind in meeting most of the internationally agreed development goals, including the MDGs.

The Group of 77 and China therefore re-emphasizes the need for the full and effective implementation of all commitments contained in the Programme of Action for the Least Developed Countries (LDCs) for the Decade 2011-2020, as contained in the Istanbul Programme of Action.

As preparations for the review of the Istanbul Programme of Action proceed, the Group also stresses the critical need to realize expeditiously a renewed and strengthened global partnership for the LDCs in order for them to overcome structural challenges affecting them, eradicate poverty in all its forms, achieve the internationally agreed development goals and enable half the number of the LDCs to meet the criteria for graduation from the category by 2020.

Mr Chairman,

The Group of 77 and China also intends to speak directly to the different parts of the Zero Draft text, to address some of the challenges and gaps we have observed therein. This would be done in the coming sessions of this plenary. The Group will deliver follow-up interventions accordingly, in order to further engage constructively and positively in ensuring that the concerns of developing countries are understood and incorporated appropriately in a revised draft. The Group is of the firm view that this is the only way to ensure that Member States all move in the same direction in guiding this process forward, for the full and effective implementation of previous international commitments on financing for development.

I thank you!