



**GROUP OF 77 & CHINA
G E N E V A**

**Statement by H.E. Mr. Wayne McCook,
Ambassador and Permanent Representative of the Jamaica,
on behalf of the Group of 77 & China, at the Sixty-second Executive Session of the
Trade and Development Board**

**Item 3 - Trade and Development Report, 2015:
Making the International Financial Architecture Work for Development
Geneva, 25-27 January 2016**

Mr. President, Ambassador D'Alotto (Argentina)
Dr. Mukhisa Kituyi, Secretary-General of UNCTAD
Excellencies,
Distinguished delegates,

1. The Group of 77 and China welcomes the Trade and Development Report 2015 that is being presented in this session. The TDR is valued by our members. It provides an important perspective on significant developments in the global economy that impact the trade and development agenda.
2. This year's theme – *Making the International Financial Architecture Work for Development* is most timely. In addressing what the TDR describes as a series of interconnected challenges facing the international monetary and financial system, the TDR sheds light on many issues that are of interest to our policy makers. Indeed, the report comes at a time when global attention has focused on the setting of a comprehensive agenda for sustainable development and reached an important outcome on financing for development in Addis Ababa.
3. The Report's reflection on the status of global economic recovery and the slowing rates of growth are noteworthy. It rightly recognises the value of stable and sound investment flows while striking a cautionary note about short-term flows and the volatility and instability that arise from them. The suggestions offered with respect to policy approaches that favour measures to influence the flow of capital in areas that promote growth are worthy of careful reflection.
4. The attention paid to falling commodity prices and the impact on the trade and financial prospects of developing countries, many of which are still heavily dependent on primary commodities, is important for many members. The report's reflections on the vulnerability of commodities to dramatic market shifts provides a clear reminder that developing countries need to pursue economic diversification and structural change. In this regard, international economic institutions and processes should enhance policy space for developing countries in order to enable the strengthening of industrial policies.

5. The attention paid to the issue of reform of the international monetary system is a fitting complement to the discussion of the practical issues of financial flows and growth challenges. Indeed, this should stimulate further dialogue on the ability of the international financial architecture to address the concerns of developing countries.

6. The attention paid by the report to the role of banks and other financial institutions, including credit rating agencies, is relevant to all members. Indeed, with the more interconnected global financial system, no country can ignore the impact of these entities on the lives of people in developing countries in particular. The report's attention to issues of regulatory oversight and the integrity and independence of entities such as the rating agencies, addresses issues of high importance that should be the subject of further reflection. Equally the concerns expressed about the risks arising from more opaque and complex financial mechanisms and actors warrant close attention.

7. Perhaps no single topic evokes greater concern and attention than the issue of debt. The report recognises improvements in the debt profiles of many developing countries but also draws attention to the sharp increases in public sector borrowing in many developing countries and points out that global debt levels have been once again on the rise since 2011. This issue of debt and its impact on trade and development is of course an area in which UNCTAD has done important work and has a real contribution to make. The TDR's observations regarding the need for the establishment of more efficient and equitable mechanisms for sovereign debt restructuring is timely, bearing also in mind UN General Assembly Resolution A/69/L.84 that outlined principles for sustainable sovereign debt workout approaches.

8. The report's discussion of possible sources of long-term international finance for development is welcomed. Its findings on the opportunities and challenges with regard to PPPs as a viable option for financing infrastructure projects are instructive. The TDR shows that "the experience with PPPs has been mixed and its impact rather limited in terms of generating additional private investment in desired areas (page 173)". In the case of SWF, the report recognises a role that these funds could play in complementing other sources of development finance. It also recognises the essential role that Development banks play as providers of long term financing for development.

9. On the issue of ODA the TDR highlights the fact that support remains well below the commitments made and levels required. The Group hopes that more can and will be done to meet the ODA commitments necessary for the achievement of sustainable development goals.

10. Finally Mr. Chair, the Group would like to highlight the significant contribution of the TDR report for the analysis and debate of systemic issues of the global economic system that are so important for development. In this regard, enough resources should be allocated to allow for the timely publication of the TDR, which we expect to be fully available every year at the annual regular session of the TDB.

11. The G77 & China once again thanks the Secretariat for this report and looks forward to today's discussions.

I thank you Mr. President.