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High-level international intergovernmental consideration of financing for development

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Letter dated 13 March 2002 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General

I have the honour to transmit, herewith, the Final Communiqué adopted by the thirty-second Meeting of the Chairmen/Coordinators of the Chapters of the Group of 77, held in Geneva, on 14 and 15 February 2002.

On behalf of the Group of 77, I would appreciate it if the Final Communiqué annexed to the present letter could be circulated as a document of the fifty-sixth session of the General Assembly under agenda items 22, 25, 26, 27, 29, 61, 95, 96, 97, 98, 99, 103, 105, 106 and 107.

(Signed) Ambassador Milos Alcalay Permanent Representative of Venezuela to the United Nations Chairman of the Group of 77 Annex to the letter dated 13 March 2002 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General

Final communiqué adopted by the thirty-second Meeting of Chairmen/Coordinators of the Chapters of the Group of 77, Geneva, 14-15 February 2002

1. Meeting at the United Nations Office at Geneva on 14 and 15 February 2002 under the chairmanship of Ambassador Milos Alcalay (Venezuela), the Chairmen of the Group of 77 Chapters adopted the following communiqué:

2. This meeting is taking place at a moment when the United Nations system is preparing to address at the highest political level issues of great concern to developing countries as part of the Millennium Declaration, which provides a political global vision on both economic and social dimensions. They relate in particular to financing for development, food security sustainable development, ageing and children. Indeed, the world economy is in fragile health, with unemployment rising again in many countries. Recoveries in a number of developing economies have stalled as markets for their exports have weakened.

3. The objectives for poverty and illiteracy eradication are far from being attained. The external debt is still a huge burden for the developing world. Commodity dependent economies, which include some of the poorest economies, can now see little prospect of reversing years of unfavourable price trends for their exports. The use of non-tariff barriers remains an obstacle to the trade of the developing countries. In today's globalizing world, we recognize that economic trouble is likely to reverberate much further and deeper than in the past, with the weakest economies being most vulnerable.

4. Regardless of exactly when and at what pace recovery comes to the world economy, we insist on global economic responses to the problems of systemic imbalances and vulnerabilities. In many respects, the biggest challenges, facing developed and developing countries alike, involve questions of policy coherence and coordination. Progress here is hampered by weaknesses in multilateral arenas. Therefore, there is an urgent need for the restructuring and democratization of the multilateral financial institutions.

5. Although agreement in Doha was of tremendous symbolic value in the face of mounting global anxieties, tackling biases and asymmetries in the trading system remains the real challenge. The faithful implementation of commitments made by our developed partners during the Uruguay Round, and more recently in Doha, is essential to enable developing countries to be fully integrated in the multilateral trading system. We are clear that in both these areas, developing countries cannot allow development agendas to be determined by interested parties in the North. It is therefore imperative that we look to forge a common front at the upcoming meetings in Monterrey as well as in the context of the future work generated in Doha from the fourth Ministerial Conference of the WTO.

International Conference on Financing for Development

6. We commend the preparatory process on financing for development and fully endorse the convening of the international conference, under the auspices of the United Nations, at the highest political level, including at the summit level. We reiterate our gratitude to the Government of Mexico for its generous offer to host this conference and stress the importance of the substantive agenda of the International Conference on Financing for Development.

7. The upcoming High-level Intergovernmental Conference on Financing for Development offers a unique opportunity for devising a coherent and concerted approach to solve the problem of the shortage of resources for development. Domestic resource mobilization is a necessary, but not a sufficient, condition for a successful development process. Since development is also strongly conditioned by the external environment, it is also necessary to address global demand conditions, terms of trade, the stability of the international monetary and financial system and the adequacy of external financing. Given the interdependence between trade and finance, greater access of developing countries to Northern markets for resourceand labour-intensive products will have significant implications for closing the gap between the need for and the availability of external finance for development.

8. Additional resources are particularly needed to address the supply constraints that impede developing countries from taking advantage of the new export opportunities in the international trading system. Equally important is the reform of the international financial system, with a view to strengthening mechanisms to prevent and adequately manage financial crises, including a greater involvement of the private sector, and to remedy systemic deficiencies in the current regime for capital flows and exchange rates. In this context, the role and governance of the multilateral financial institutions need to be reviewed, so as to improve the participation of developing countries in the decision-making process. Moreover, any debate on a new approach to financing for development has to address the issues of adequacy of official development assistance and the need for more appropriate debt relief for the poorest countries.

9. In light of the increasing importance of foreign direct investment in the world economy, we look forward to an UNCTAD contribution to the follow-up and implementation of the outcome of the Monterrey Consensus particularly with respect to the chapters relating to mobilization of international resources for development — foreign direct investment and international trade and systemic issues.

World Trade Organization Ministerial Meeting Follow-up/Post-Doha

10. We call on all WTO members to honour their commitments towards effectively meeting the concerns of developing countries in the post-Doha negotiating process, in particular in the following areas:

- The operationalization of the special and differential treatment provisions and mandates;
- The meaningful improvement of market access conditions for exports of interest to developing countries in agriculture, services and industrial products;

- The implementation issues, that involve unsolved problems since the conclusion of the Uruguay Round;
- The issues of trade, debt and finance, and trade and transfer of technology;
- The review of the WTO rules to make them more responsive to the needs and conditions of all the developing countries.

11. We recognize the needs of developing countries, in particular least developed countries, for enhanced support for technical assistance and capacity-building in this area, including policy analysis and development, so that they may effectively participate in the negotiating process launched at Doha and ensure that it delivers its expected development promises. To this end, we emphasize the need for strengthened timely and adequately resourced assistance to respond to these needs, as specified throughout the text of the Doha Ministerial Declaration. We urge the WTO to enhance its cooperation with other international and regional agencies involved in the area of trade, in particular with UNCTAD in view of its specific mandate on trade and development within the framework of the United Nations system and urge donors to provide the needs of developing countries.

Least developed countries

12. We reiterate our strong support for the full and effective implementation of the various commitments and actions contained in the Brussels Programme of Action and urge all stakeholders to honour their respective commitments in this regard. The Group is extremely encouraged to note that, in contributing towards the implementation of the Programme of Action and within its mandates and competence, UNCTAD has undertaken important implementation related activities on least developed countries since the third United Nations Conference on Least Developed Countries held in Brussels last year. We call on the UNCTAD secretariat to continue its efforts in the implementation of the plan of action in the area of its main functions such as research and policy analysis, technical cooperation and capacity-building.

13. We join the concern expressed by UNCTAD member States with respect to the negative impact on UNCTAD's analytical and technical work resulting from the transfer of posts out of UNCTAD to the new Office of the High Representative on least developed countries, landlocked developing countries and small island developing States as well as the reduced overall level of resources, in particular consultancy funds, allocated to UNCTAD for 2002-2003.

14. We place the highest importance on the full implementation of paragraph 3 of General Assembly resolution 56/227 of 24 December 2001 calling for enhancing the operational capacity of UNCTAD. In this regard, full consideration should also be given to the additional activities for UNCTAD generated by the outcomes of the fourth WTO Ministerial Meeting. Thus, we consider as high priority the preparation and the examination by the General Assembly at its March resumed session of the report of the Secretary-General of the United Nations on enhancing UNCTAD's operational capacity.

UNCTAD Mid-term Review

15. We welcome the initiative of the Government of Thailand and of the Trade and Development Board to organize the UNCTAD Mid-term Review in Bangkok from 29 April to 3 May 2002. The Mid-term Review proves to be a useful tool to assess the implementation of commitments adopted by member States at UNCTAD X as well as to respond in a timely fashion to the new concern of Governments. Results, usefulness and making a real contribution to the advancement of developing countries are key goals of this process. We noted with satisfaction the attention paid by the Mid-term Review to improving the ongoing activities of UNCTAD, which are of greatest importance to the development process in our countries and to efforts made to mainstreaming in UNCTAD activities the outcome of the Doha Ministerial Meeting, in particular its development dimension. In this regard satisfaction was also expressed with the UNCTAD "Programme of technical assistance and capacity building for developing countries, especially least developed countries, and economies in transition in support of their participation in WTO Doha work programme". We invited donors and all relevant organizations to extend their support to all UNCTAD activities.

World Summit on Sustainable Development

16. We reaffirm our commitment to the success of the World Summit on Sustainable Development, to be held in Johannesburg from 26 August to 4 September 2002 and our active participation in the preparatory process. We emphasize that the Summit should ensure the full implementation of the Rio principles, particularly the principle of common but differentiated responsibility, and Agenda 21. The endeavours of developing countries to achieve the goals of sustainable development should be supported by the international community.

17. The need for providing adequate means of implementation to developing countries cannot be overemphasized. The Summit should agree on time-bound targets in providing the means of implementation and should clearly identify the sources of finance and technology required in this regard. We encourage major groups to actively pursue partnerships for the effective and expeditious implementation of Agenda 21. We hope that the Summit will result in renewed political commitment to the goals of sustainable development.

World Food Summit

18. We welcome the decision of the one hundred and twentieth session of the FAO Council to postpone the World Food Summit: five years later from November 2001 to 10 through 13 June 2002. The World Food Summit: five years later will aim for a reaffirmation of commitment to the Rome Declaration on World Food Security and to the World Food Summit Plan of Action, the two documents adopted at the Summit.

19. We strongly welcome a global coalition or alliance to fight hunger, as was proposed during the FAO Conference in November 2001.

20. In 1996, during the World Food Summit, Heads of State, Governments and other high-level representatives from 185 countries had pledged their political will and their commitment to achieve food security for all and to an ongoing effort to

eradicate hunger in all countries, with an immediate view to reducing the number of undernourished people to half their present level no later than 2015.

21. We regret that FAO's latest assessment of the global food security situation is a stark reminder of the slow progress towards the reduction of hunger. Today, hunger affects 800 million people, of which 200 million are children. It is therefore all the more crucial that countries take measures to accelerate the pace of hunger reduction.

22. We believe that only through the direct involvement of decision makers will it be possible to mobilize the necessary political will and ensure that vital decisions are taken by leaders in a position to influence policy at every level. Therefore, we encourage worldwide representation at the highest level at the World Food Summit: five years later.

23. We welcome the establishment of a trust fund for food security and food safety by FAO with a target of US\$ 500 million, and we recommend wide participation of developed and developing countries in this trust fund as a sign of the reaffirmation of their commitment to the eradication of hunger.

Other forthcoming conferences

24. We welcome the positive preparatory processes of the forthcoming summits and conferences such as the special session of the General Assembly on children, the second World Assembly on Ageing, United Nations Forum on Forests to which we attach high political importance. We hope that these conferences will contribute to a greater understanding of the development problems of the developing countries, help evolve a global consensus and mobilize adequate resources to address them effectively.

Cultural diversity

25. We also welcome the work of UNESCO on cultural diversity, multilingualism and eradication of illiteracy. These issues will be examined during the forthcoming meeting of the Group of 77 Chapters to take place in Paris.

North-South dialogue

26. We stress the importance of a G-7/G-8 dialogue on strengthening international economic cooperation for development through partnership as an essential mechanism for the discussion of emerging and urgent issues relevant to the strengthening of a global partnership for development to further strengthen the efforts of the international community in addressing development issues of international concern, including the implementation of the agreed commitments and outcomes of major United Nations conferences and summits. In this context, we call on the forthcoming annual meeting of the G-8, to be held in Canada in July 2002, to take into account the interests and concerns of developing countries. The Chairman of the Group of 77 in New York, as mandated by the Havana Programme of Action, will convey those interests and concerns to that meeting.

South-South cooperation

27. We reiterate our commitment to implementing the outcome of the South Summit, held in Havana from 10 to 14 April 2000. We welcome the status of the

implementation process of the South Summit outcome submitted by the Chairman of the Group of 77 in New York and we express our appreciation to the Office of the Chairman of the Group of 77 for its valuable and continued support for this process.

28. We also reiterate our strong commitment to speed up the implementation process in the sphere of competence of each chapter and we call upon G-77 member States to contribute generously to the special fund established in accordance with the provisions of the Havana Programme of Action.

29. We reaffirm our commitment to further strengthening South-South cooperation and we welcome the outcome of the Tehran Meeting (IFCC-X) and consider that both the Tehran Consensus and the recommendations adopted by the Committee constitute a roadmap for the revitalization of economic and technical cooperation among developing countries and invite our chapters and relevant organizations therein to fully implement those recommendations. In this context, we welcome the generous offer by the Government of Venezuela to host the Group of 77 High-level Conference on South-South Cooperation, to be held in Caracas in December 2002, in accordance with the South Summit mandate.

30. We stress the crucial importance of the Global System of Trade Preferences among Developing Countries (GSTP) as an instrument for promoting South-South cooperation and trade in this context. We recall the decision of the Havana Summit to consider further deepening and expansion of the GSTP in order to enhance its effectiveness, as well as to review the implementation and the performance and impact of the GSTP among developing countries with a view to deepening and expanding the GSTP and invite the Chairman of the Group of 77, in coordination with the Geneva Chapter, to convene an intergovernmental consultative meeting as soon as possible and to request UNCTAD to contribute to this process. In this context, we urge the GSTP participants to continue their financial support to the GSTP through voluntary contributions and we further call on the UNCTAD secretariat to continue its support of the operations of the GSTP Agreement.

31. We note with satisfaction the progress made so far by the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries in support of South-South cooperation projects and call upon all members of the Group of 77 as well as the United Nations system to support the expansion of the Trust Fund.

32. We welcome the report of the Geneva Advisory Team on the strengthening of the institutional capacity of the Group of 77 and enhancing coordination among the Group of 77 Chapters, which will be reviewed at the chapters' meeting in Paris with a view to making it operational.

33. We have agreed to hold our thirty-third coordinating meeting in Paris, at UNESCO headquarters.