

CHAPTER 3**THE GROUP OF 77 AND THE SECOND COMMITTEE***by Jakob Lund*

The Second Committee of the General Assembly deals with financial and economic matters. Its agenda includes macro-economic issues such as the international financial system; trade and debt; Financing for Development (FFD); and sustainable development. It also deals with other priority issues of the G-77, such as poverty eradication, technology transfer, and operational activities for development. In addition, the Second Committee discusses sovereignty for the Palestinian people living in the Occupied Palestinian Territories.²³ This chapter, however, will focus mainly on the economic and financial issues, which are at the heart of the G-77's *raison d'être* and constitute their prime area of interest.

The G-77, according to a key player in the group, dominates the discourse in the Second Committee and drafts almost all of its resolutions. This is to be expected given the consensus-driven nature of the Second Committee and the super majority enjoyed by the G-77 in the GA, which gives them the power to heavily influence the Committee's agenda. According to the Second Committee's website, the Committee took action on 40 draft proposals in the 63rd GA. Most of the proposals that were adopted, were initiated by the G-77.

Once draft resolutions are agreed upon, the G-77's role is less obvious. It is customary procedure to withdraw the name of a group or country originally behind a proposal once consensus is reached. One of the Vice Chairs of the Committee then formally presents the proposal for approval. The majority of the proposals originating from the G-77 focus on what is traditionally understood as economic development, but areas such as climate/environment, trade, and transferring of technology are also represented.

²³ It appears that the issues pertaining to development included in the discussion on Palestinian Sovereignty, such as access to land and water, constitute the reason for this issue to be on the Second Committee's agenda.

Based on discussions with delegates from both the North and South, as well as other outside experts and observers, this chapter will examine one Southern delegate's claim that the G-77 has been "very successful" in the Second Committee, both in terms of shaping the agenda and getting resolutions adopted.

Dynamics in the Second Committee

Unlike the Third Committee, but like the Fifth Committee, the Second rarely votes on an issue. As a result, the consensus process greatly shapes the dynamic of the Committee. Almost all issues dealt with in the Second Committee are potentially divisive and discussions often flare up in dichotomist statements from both the North and South. A statement in 2007 from Portugal on behalf of the EU, for instance, illustrates the typical Northern accusatory sentiment:

Unfortunately, and in spite of some constructive suggestions during the consultations aimed at starting anew, (...) the G-77 preferred a strategy knowing that the outcome would be non-consensual.²⁴

Portugal went on to chastise the G-77 for being unbalanced and repetitive.

In a similar vein, several delegates from developing countries have told the Center that there is a widespread notion within their group that developed countries constantly seek to undermine the unity of the G-77 and reduce funding for developing countries.

While the tone does tend to get heated when Northern and Southern delegates discuss development issues, it rarely heats up as much as it does in the Third Committee. Since deciding issues by consensus is an old norm seemingly appreciated by all sides of this committee—delegates are careful to include everyone in the committee's process and, for the most part, ensure a respectful tone. As one Southern delegate told the Center: "everyone knows that at the end of the day, we will have to work together. That's why we can't behave like they do in the Third Committee," he added, referring to the obscene gestures and outrageous language one can apparently observe there.

²⁴ http://www.europa-cu-un.org/articles/fr/article_7612_fr.htm

Although most of the debates about development issues in the Second Committee are supposedly carried out at “expert level,” a Northern member of the Committee told the Center that hardly any of the other delegates working on development issues are, in fact, professional experts. This leads to bizarre discussions and to many of these experts misinterpreting some of the crucial debates. According to this delegate, a World Bank official who attended a Second Committee meeting later commented on the language being worked out for a resolution. “No one outside of this room will understand what this text means,” the official allegedly said. While the devil supposedly lies hidden somewhere in the detail, the Second Committee’s language on development is traditionally not very detailed; it is primarily focused on setting the tone for the discourse surrounding the topic. This sentiment is echoed by a G-77 delegate who told the Center: “what they do in Washington (the World Bank and IMF) is completely different from what we do here at the UN. They actually do practical things while we just have discussions.” “Keeping development on the agenda of the GA is in itself extremely valuable,” according to another source from the South.

Key Issues of the G-77 in the Second Committee

Money should flow from rich countries to poor, but partly because debt repayments have become so large in some years the flow of funds has been moving in the opposite direction. Obviously with money bleeding out of developing countries, it is all the more difficult for them to grow and reduce poverty. *Joseph E. Stiglitz, page 212*

A common theme for the G-77, regardless of the forum or overall topic, is poverty eradication. This is especially true in the Second Committee. In a speech from March 2010, G-77 Chair Ambassador Abdullah M. Alsaïdi of Yemen said that: “We would like to highlight the fact that there is no development without eradicating poverty.”²⁵ This is the lens through which the G-77’s work in the Second Committee should be viewed.

²⁵ <http://www.G77.org/statement/getstatement.php?id=100304>

The Millennium Development Goals

The Millennium Development Goals (MDGs), according to UNDP, “represent a global partnership that has grown from the commitments and targets established at the world summits of the 1990s.”²⁶ A number of different goals and agreements became known as the Internationally Agreed Development Goals, many of which were embodied in the 2000 Millennium Summit, which produced the Millennium Declaration,²⁷ oftentimes referred to as the founding document for the MDGs.

In the Millennium Declaration, the GA called on industrialized nations:

- To adopt, preferably by the time of that Conference [the third United Nations Conference on the Least Developed Countries], a policy of duty- and quota-free access for essentially all exports from the least developed countries;
- To implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction; and
- To grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction.
- To deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term.

The GA further resolved:

- To halve, by the year 2015, the proportion of the world’s people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water.
- To ensure that, by the same date, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and that girls and boys will have equal access to all levels of education.
- By the same date, to have reduced maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates.
- To have, by then, halted, and begun to reverse, the spread of HIV/AIDS, the scourge of malaria and other major diseases that afflict humanity.
- To provide special assistance to children orphaned by HIV/AIDS.

²⁶ <http://www.undp.org/mdg/>

²⁷ <http://www.un.org/millennium/declaration/ares552e.htm>

- By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the "Cities Without Slums" initiative.
- To promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable.
- To develop and implement strategies that give young people everywhere a real chance to find decent and productive work.
- To encourage the pharmaceutical industry to make essential drugs more widely available and affordable by all who need them in developing countries.
- To develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication.
- To ensure that the benefits of new technologies, especially information and communication technologies are available to all.

The Millennium Declaration was arguably more ambitious than what became known as the Millennium Development Goals, but it was not as detailed. The Declaration mentions several goals that to the disappointment of some larger developing countries, are not included in the MDGs, among others: “the role of the private sector and civil society and the importance of “decent and productive work,” especially for young people.”²⁸

The MDGs consist of eight specific goals with several subcategories of targets and indicators. The goals are to be met by 2015 and in the words of the UNDP, “Poor countries have pledged to govern better, and invest in their people through health care and education. Rich countries have pledged to support them, through aid, debt relief, and fairer trade.”²⁹

The eight goals are:

- Goal 1: Eradicate extreme poverty and hunger.
- Goal 2: Achieve universal primary education.
- Goal 3: Promote gender equality and empower women.
- Goal 4: Reduce child mortality.
- Goal 5: Improve maternal health.
- Goal 6: Combat HIV/AIDS, malaria and other diseases.
- Goal 7: Ensure environmental sustainability.
- Goal 8: Develop a Global Partnership for Development.

(See Appendix III for the targets and indicators.)

²⁸ A/58/323

²⁹ <http://www.undp.org/mdg/>

It is easy to see where the inspiration for the goals came from, but not everyone agrees that the MDGs were a logical follow-up to the Millennium Declaration. As previously mentioned, some larger developing countries complained that most of the relatively assertive language on trade measures (duty- and quota-free access for essentially all exports from the least developed countries) was not carried over to the MDGs and that the parts that were have not been implemented effectively.

Another criticism of the MDGs comes from quite a different quarter. Some observers, particularly conservative American ones, have complained that while the Millennium Declaration was adopted unanimously by the UNGA, the goals have never formally been adopted anywhere, but were, in the words of one conservative think tank in the US, The Heritage Foundation, a “repackaged” version of the Declaration. The Secretary-General’s report A/56/326 explains who, in fact, formulated the 8 goals:

Consultations were held among members of the United Nations Secretariat and representatives of IMF, OECD and the World Bank in order to harmonize reporting on the development goals in the Millennium Declaration and the international development goals. The group discussed the respective targets and selected relevant indicators with a view to developing a comprehensive set of indicators for the millennium development goals. The main reference document was section III of the United Nations Millennium Declaration, “Development and poverty eradication.”

A/56/326 further states that the goals do not undercut any agreement on development goals and targets reached at the global conferences of the 1990s, discussed above.

Human rights organizations have also been critical of the goals for not mentioning human rights and the legal empowerment of the poor. Amnesty International writes that the MDGs fail to take into account how human rights violations are obstacles to achieving economic development, and furthermore that “the key problem with the Goals is a lack of accountability. Developed countries promise aid and fair trade but don’t deliver. Poor countries buy expensive weapons rather than invest in education.”

As is discussed throughout this book, however, mixing conditionalities based on human rights measures with development

initiatives is something the developing world will resist at all costs. It is more likely that the GA had not “failed to take into account” that human rights may not be conducive to achieving development, but that a majority of the GA, led by the G-77, was adamant about keeping these areas separated.³⁰

G-77 and the MDGs

Given its position as the most up-to-date and well-known plan for development—few if any countries oppose the MDGs as such—the G-77 allocates a lot of energy and resources to negotiating the follow-up process to the MDGs. In the words of one representative from the group, “we may be a diverse group but we have at least one common goal: to achieve the MDGs.” The group does not, however, consider the Goals to be the only—or even the ideal—way to create economic development in the developing world. In an interview with the Center, one G-77 delegate said that the MDGs are insufficient in creating the kind of growth that is needed in the developing world, but that the G-77 supports them because they represent a “step in the right direction.”

The 2005 G-77 Chair, Jamaican Ambassador Stafford Neill, said, “There has (...) been a (...) recognition that the MDGs, although critical, do not cover all the development goals.”³¹ One particular concern expressed by G-77 delegates has been the absence of employment measures. Many developing countries see employment as one of the chief issues for development (a belief backed by scholars of both economic development and conflict studies.)³² The distress concerning employment levels soared and reached global levels following the outbreak of the global financial crisis. Some poor countries suffered from double-digit unemployment rates, and in many places *high* double-digit rates, among young men, traditionally a worrisome factor when analyzing the risk of violent flare-ups and armed conflict.

³⁰ <http://www.amnestyusa.org/demand-dignity/fight-poverty-with-human-rights/millennium-development-goals/page.do?id=1041190>

³¹ <http://www.G-77.org/Speeches/100305.htm>

³² See Collier, 2008, chapter on breaking the conflict trap, pages 17-38.

There is also disagreement within the G-77 concerning priorities in development policies. While some countries—particularly the poorer ones—wish to keep the focus on ODA, others—particularly those who have fast-growing economies—are more concerned about institutional efforts, especially relating to trade. The latter group contends that the MDGs focus too much on ODA and too little on structural issues. A G-77 delegate told the Center that it is obvious that the MDGs are lacking in language on agricultural issues as well as structural trade issues, but that if the Doha Round (discussed below) succeeds, it will give a “huge boost” to the MDGs. In this delegate’s words: “these issues are all interlinked so even if one issue is not discussed in detail in one document it is still important. Just as lack of progress in each one of these issues can stall the overall process, success in just one area can spill over into other issues.”

Yet another G-77 concern regarding the MDGs is whether the rather narrowly defined goals leave room for developing countries to pursue the development policies of their choice, or whether they corner them into the existing policies already defined by international financial institutions. While chairing the G-77, Jamaica made it clear that the MDGs should not be the sole focus of international multilateral development and poverty reduction policies: “development priorities need to be considered in a comprehensive manner. Consequently, the focus must be on broad development needs and objectives. Not simply on the creation of MDG-based national strategies. Each developing country must be accorded ‘policy space’ or the flexibility to evolve its own national development plans.”³³

The issue of ‘policy space’ is one that reflects a broader concern and frustration on behalf of many developing countries: the conditions associated with development aid in general. Ambassador Neil elaborated on this issue in a quite critical manner when commenting on the Secretary-General’s report *In Larger Freedom: Toward Development, Security and Human Rights for All*.³⁴

³³ <http://www.G77.org/Speeches/042505.htm>

³⁴ <http://www.un.org/largerfreedom/>

It is time for the international community to categorically reject the use of policy conditionalities in the provision of development assistance. It is regrettable that such a vital issue has not been forcefully tackled in the Secretary-General's Report since it has implications for a country's ability to determine its development priorities. As a complement to the elimination of such conditionalities, we should also proclaim the sovereign right of each developing country to determine its own development priorities and strategies. We cannot accept ideological prescriptions concerning economic organization, free markets or the role of the state. (...) the Secretary-General's Report suggest[s] that increased development assistance will be provided only if sound, transparent and accountable national strategies are prepared by developing countries. This approach poses a serious concern to the G-77. Transparency, accountability, good governance and combating corruption are standards, which should apply to everyone not just developing countries.³⁵

A/C.2/64/L.38, proposed by Sudan on behalf of the G-77 in 2009, "reaffirms that (...) the role of national policies and strategies cannot be overemphasized in the achievement of sustainable development and poverty eradication," and further stresses that "national conditions and respect for national ownership, strategies and sovereignty" must be ensured.³⁶

Ironically, a conservative American think tank, The Heritage Foundation, also stresses the importance of policy space, but for donor countries. The Foundation wrote in 2008, "Strict adherence to the MDGs or the goal of eliminating poverty would leave little discretion for the US to distribute or withhold aid based on country performance or political priorities."

Obviously, the discussion on conditionalities is one that applies to several issues aside from the MDGs, but we mention it here because the MDGs in many ways have become the embodiment of the current discussion on what works and what doesn't—as well as what is fair and what isn't—in development efforts.

Despite these reservations, however, the G-77 has endorsed the MDGs and, according to more than one G-77 delegate, most of the language in the Millennium Declaration originates from the group. A Southern diplomat told the Center that when the MDGs were first agreed to, the G-77 countries that had been most critical of the goals

³⁵ <http://www.G77.org/Speeches/042505.htm>

³⁶ <http://www.un.org/ga/second/64/proposalstatus.shtml>

said they could accept the outcome—“they didn’t love it but they could live with it.”

Follow-up

There has been a lot of expectation about the follow-up conference on the MDGs which took place in September 2010. As with any big follow-up conference, intense negotiations about what should be debated preceded the actual conference.

The eighth development millennium goal discusses development under “an open, rule-based, predictable, non-discriminatory trading and financial system.” This goal is arguably the one the G-77 puts the most emphasis on as described in chapter 1 of this book. It closely reflects the group’s early focus on trade and development. Particularly the second part of the goal, 8b, sounds almost like a G-77 declaration. It calls for “tariff and quota free access for the least developed countries’ exports; enhanced program of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous Official Development Assistance (ODA) for countries committed to poverty reduction.”³⁷ One Southern delegate suggests that the Northern countries may not want to include MDG8 in the follow-up because it contains references—even if vague—to the 0.7% goal (discussed below). This delegate contends that Northern countries know it will look bad for them to exclude the eighth goal but that this will probably be the outcome of the preparatory negotiations—possibly after a tit-for-tat negotiation in which the North would agree to sacrifice the Paris Declaration. But according to another Northern diplomat, the North would never give up the Paris Declaration, which is an attempt by OECD countries to create manageable and harmonized aid practices. These speculations are, however, dismissed by another Northern delegate, who told the Center, “there are eight goals and of course we have to discuss all of them. What we do not want is to discuss goals beyond the current ones or post-2015 agendas.” Either way, a representative from Yemen, currently chairing the G-77, told the Center that the conference should not be about naming and shaming but about looking to the future. The G-77 has prepared

³⁷ <http://www.undp.org/mdg/goal8.shtml>

position papers on all eight goals and have high expectations for the conference.

The discussion over the eighth goal has led to intense disagreements between developed and developing countries concerning the MDGs. Elaborating, a Northern delegate commented: “there is a feeling that they [developing countries]³⁸ only want to talk about MDG8. We feel that creates a depressive environment, where we only focus on the things that haven’t been accomplished. That doesn’t make leaders engage, it makes them turn away.” One European delegate said about the US: “They feel they never get credit for anything and that they’re always just being hit in the head with the 0.7%, so they have stopped bothering with these meetings.”

There are, however, also traces of agreement in both camps. One European diplomat told the Center that the developing countries were right to point out that there are too few indicators attached to the goals—particularly MDG8. It gives, this diplomat said, a deficiency of accountability.

US and EU positions

Notwithstanding the North’s desire to divert the MDG discussion away from the South’s ODA-focused approach to the MDGs, the European Union has recently shown it takes the MDG8 debate seriously. In May 2010, the European Parliament sought to improve its record on this issue by stating that it was time for its members to live up to their promises:

Innovative development funding mechanisms, such as a financial transaction tax, need to be backed by the EU, as the world's leading aid donor, ahead of the September UN summit in New York to review the Millennium Development Goals (MDGs).... Ten years ago, world leaders agreed to act to eradicate world poverty.... The EU's overall aim (therefore) is to devote at least 0.7% of GNI to development assistance (ODA) by 2015.... Development Committee MEPs call on all

³⁸ We have found that while delegates from developing countries will almost always refer to delegates from developed countries as “our colleagues” or “partners,” delegates from developed countries will often use a more generic “they” when talking about delegates from developing countries.

EU Member States to deliver on this pledge by 2015 at the latest, bearing in mind that collectively, the EU is way behind schedule.³⁹

As will be discussed in greater detail below, the United States has long refused to accept the 0.7 percent required in ODA. Furthermore, under President George W. Bush, the United States placed greater importance on alternate channels of resource flows to the South. Specifically, private enterprise methods of resource flow were seen as being central to meeting and sustaining the goals set out in the initial Millennium Declaration. In 2008, 85% of resources flowing from the United States to the developing world were private. Such things as “private business investment, remittances, and university initiatives, [and] the foreign assistance efforts undertaken by corporations, foundations, NGOs, and religious organizations” were thus considered by the previous administration as furthering the MDGs.⁴⁰

Although the United States under President Barack Obama has not signed on to the 0.7 per cent ODA, the current Administration has stated that it is on the path to doubling U.S. foreign aid. However, even though the amount of money included in the 2010 fiscal year budget for foreign aid was 33% more than it was in 2009, it was still \$3 billion short of the Administration’s original budget request.⁴¹ In sum, while there are efforts throughout the North to fulfill the promise of increasing their ODA, it still remains to be seen if these promises will actually come to fruition.

The MDGs currently remain one of the G-77’s main priorities. The group has certainly been successful in shaping the discussions surrounding the goals, although much less successful in ensuring the implementation of them. Several delegates—both from within and outside the G-77—told the Center that they see a heavy G-77 influence on all UN language on MDGs and it is widely acknowledged that the group has had a defining influence on the goals and the negotiations surrounding them. Furthermore, the

³⁹ Development Aid: Strong European Union Commitment Need to get MDGS Back on Track. US Fed News Service, Including US State News. Washington, D.C.: May 12, 2010.

⁴⁰ *ibid*

⁴¹ The United States and the Millennium Development Goals

future of the negotiations may look brighter. A representative of the G-77, after reading the EU's document on how to achieve the MDGs,⁴² told the Center: "I think it looks really good."

Financing For Development (FFD)

Whereas the North/South battle in the Third Committee seemingly manifests itself in a competition over who can blame the other side more for human rights violations, the Second Committee is host to an ideological and semantic battle of whether more aid equals more development.⁴³

After interviewing several Northern diplomats, it seems fair to say that the North's perception of the South's key goals can be summarized as follows: To make developed countries commit to allocating as many resources as possible to the South. One Second Committee delegate from an EU country referred to the G-77's common message as: "more money transferred from the North to the South." While this observation may seem simplistic or exaggerated, it also seems clear that the G-77 is dissatisfied with the current level of development aid coming from the developed countries. In the words of the group's 2005 Chairman: "Increased capital flows and financing for development are crucial for developing countries."⁴⁴

One Southern delegate pointed to the example of Haiti, whose budget, he said, is made up of 80% foreign aid. "There are several countries like that," the delegate added, "of course they need the money." Several G-77 sources, however, disagree that the South primarily focuses on obtaining more resources. One delegate said that the G-77 is not looking for new or additional commitments: "We are simply seeking to make sure that the North lives up to the commitments they have already made." Another G-77 representative told the Center that the fear on behalf of the group is that the developed countries use the support channeled from India, Brazil and China to the Least Developed Countries (LDCs) as an argument

⁴² <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/147>

⁴³ It is beyond the scope of this book to contribute to the substance of this fascinating debate. We invite readers to go through the bibliography at the back of this book to find further reading on this issue.

⁴⁴ <http://www.G77.org/Speeches/100305.htm>

that justifies a cut in their own ODA. “We tell them that South-South cooperation is not ODA, but they are trying to exploit it,” this delegate said. In the words of the Sudanese former Chair, the G-77 calls for “the fulfillment of all official development assistance-related commitments, including the commitments made by many developed countries to achieve the target of 0.7 per cent of Gross National Product for official development assistance by 2015 and to reach the target of at least 0.5 percent of Gross National Income for official development assistance by 2010.”

There is a widespread understanding—and disappointment—on behalf of the G-77 countries that the MDGs will most likely not be met on time, especially in light of the recent financial crisis. In their narrative, the major fault for this is found in the fact that the vast majority of developed countries have failed to live up to their pledges of aid delivery. The G-77 often points to the goal set by developed nations of reaching the aforementioned 0.7% target, i.e. committing 0.7% of their GNP to Official Development Assistance. This target was first agreed to in a GA resolution in 1970, although the G-77 initially aimed for a goal of 1%. The resolution stated that:

Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7 percent of its gross national product.

This agreement was reached after a steady fall in ODA measured as a percentage of GNP for a number of years, and was, sadly and despite small peaks here and there, followed by decades of further erosion. In 2002, the goal was restated at both the Monterrey Conference on Financing Development, which called for “concrete efforts towards the target of 0.7%” and the World Summit on Sustainable Development held in Johannes-burg, which called for the same “concrete efforts” to be made.

The EU, in 2005, restated its commitment to the goals and made it clear that as an interim step toward the 0.7%, all “old” (EU15) Member States would meet a target of 0.56% by 2010. Nonetheless, only a handful of European countries have lived up to that target and most other EU developed countries are trailing behind, well below 0.5%, while the EU on average is giving only

0.4%.⁴⁵ The US gives less than 0.2%, thereby being the least generous donor country measured in ODA based on Gross National Income. The overall level of the OECD countries is a meager 0.3%.⁴⁶ A recently published study by the OECD shows that the ODA coming from the EU fell in 2009 compared to 2008. While ODA from all donor countries went up from 0.30% of GNI to 0.31%, this was due to a fall in GNI rather than a rise in ODA.⁴⁷ Not surprisingly, the G-77 considers this a huge breach of any trust that may have existed. One delegate commented: “we’ve been talking about 0.7% for 40 years now and they still don’t live up to it.”

The 0.7% goal, while accepted by most, remains a controversial issue in some quarters. The Heritage Foundation wrote that: “the notion that developed countries made a ‘commitment’ to provide 0.7 percent of GNP in development assistance has attained iconic status in the UN and in the aid community, despite repeated refusals by the United States and others to endorse it.”⁴⁸ According to some Northern delegates, however, the US is the only country that is expected to maintain its refusal to accept the goal.⁴⁹ The UN Secretary-General has expressed his commitment to the goals on several occasions. In March 2010 he said he “strongly emphasized that these goals will not be met if the donor community doesn’t deliver on its promises of official development assistance.⁵⁰” A Northern delegate told the Center that the 0.7% goal isn’t a legal but merely a moral obligation and that many developed countries have a bad conscience about not living up to it. “They admit internally that they won’t meet the goal,” this delegate said, “but the EU continues to pretend it will happen.”

⁴⁵ <http://www.eurodad.org/aid/article.aspx?id=122&item=3981>

⁴⁶ <http://www.globalissues.org/article/35/us-and-foreign-aid-assistance>

⁴⁷ <http://www.eurodad.org/whatsnew/articles.aspx?id=340&item=4082>

⁴⁸ <http://www.heritage.org/Research/Reports/2008/04/The-Global-Poverty-Act-The-Wrong-Track-for-US-Aid-Policy>

⁴⁹ In connection with the Monterrey Consensus in 2002, then President George W. Bush said that: “All of us must focus on real benefits for the poor, rather than debating arbitrary levels of inputs from the rich.” The US position has not changed significantly since then.

⁵⁰ <http://ipsnews.net/news.asp?idnews=50724>

In March 2010, Ambassador Alsaïdi of Yemen said, “Unfortunately, we are not on track (...) to meet most of the MDG targets. The main shortcoming is in the implementation of our commitments, and the main challenge to developing countries in ensuring full implementation of the commitments on the ground is the lack of financing and a more supportive international environment.”⁵¹ The month before, Mr. Alshahari, also of Yemen, said, “the partner agencies and donors need to increase financial assistance for national statistical capacity building” in order for the developing countries to track their progress towards fulfilling the MDGs. In 2005, Ambassador Neil of Jamaica, then Chair of the G-77, stated that: “the 0.7 per cent target of GNI for ODA and the specific allocations for LDCs should be fulfilled as a matter of urgency.” He further applauded the countries that had met or surpassed the target, but called it “untenable” that the world had “still not been able to make more significant strides.”⁵²

South Africa, in 2006, made similar conclusions: “Social development commitments cannot be achieved without adequate resources. The Millennium Project Report of 2004 showed how resources from ODA commitments of 0.7% of GDP could make a significant difference.”⁵³ A representative from the G-77’s Chairmanship rhetorically asked the Center: “How can we reach the MDGs in 2015 when that’s also the year the EU say they will meet the 0.7% goal? We need that money to achieve the MDGs.” Another representative of the G-77, however, told the Center that it is clear to everyone that the MDGs cannot be achieved with money alone and that national capacity must be built in the poorest countries, a statement which touches the nerve of the ongoing discussion on the impact of development aid.

Interestingly, several Northern delegates have told the Center that they are aware that developing countries think the developed world is determined to curb or cut ODA. This is not the case, Northern diplomats argue. “What we want is to maintain the flow of resources but make it more efficient and get more for our money,” a

⁵¹ <http://www.G77.org/statement/getstatement.php?id=100304>

⁵² <http://www.G77.org/Speeches/042505.htm>

⁵³ http://www.Southafrica-newyork.net/pmun/view_speech.php?speech=5356457

Northern representative added. This confirms the description of G-77 thinking given above: they are not looking for additional commitments, but for the developed world to live up to the ones they have already made. In sum, developed countries say they will continue funding if they know the money is spent effectively and transparently, while developing countries say they want the North to commit to continue funding. Despite this seeming convergence, more than a few Northern diplomats have told the Center that the North is wary of the Financing For Development discussion exactly because they know their countries have not lived up to the level of aid they have promised in previous agreements.

What Counts as ODA?

The G-77 is traditionally very keen on fighting for the rights of migrant workers; many of whom send remittances home to their native countries. A World Bank study from 2008 shows that remittances are outpacing ODA as a source of finance coming from the developed to the developing world.⁵⁴ While the World Bank estimates that remittances total more than double the amount of global ODA, other estimates claim that the discrepancy is even higher with remittances exceeding official ODA by a factor of more than 6:1. However, they are also keen to make clear that remittances cannot and should not be seen as a substitute for ODA. In 2005, Jamaica, on behalf of the G-77, said that:

The G-77 is concerned (...) about growing references to the remittances of migrant workers as a potential source of financing for development. We do not endorse this perspective. Such financial flows are private resources, usually for family maintenance and personal consumption. The real focus should be on promoting and facilitating such transfers through the removal of existing obstacles, including a significant reduction in transaction costs.⁵⁵

The OECD defines ODA in a somewhat inclusive fashion, which means that assistance for refugees coming from countries on the

⁵⁴ <http://www.philstar.com/Article.aspx?ArticleId=422637&publicationSubCategoryId=66>

⁵⁵ <http://www.G77.org/Speeches/042505.htm>

Development Assistance Committee list is included. Military aid and counter-insurgency support is, however, excluded.⁵⁶

Funding for Climate Investment Funds can be counted as ODA if: “(a) it meets the criterion of promoting economic development and welfare; b) the grant element is at least 25 percent; and c) funds are to be used in a country included in the DAC (Development Assistance Committee) list of ODA eligible countries,” although Climate Investment Funds are generally seen as additional to the existing ODA.

Humanitarian aid is now generally considered ODA, although that has not always been the case. In the US, funding for programs such as the Peace Corps is also included in the definition of ODA, as is disaster assistance and even funds for narcotics control.⁵⁷

G-77 Success or Not?

Judging from interviews with both Northern and Southern delegates, UN language on FFD is an area where the G-77 is perceived to have been successful, even though most developed countries have not lived up to the 0.7% ODA goal. One Northern diplomat said that the South is indeed effective in shaping the language on FFD into a focus on ODA, which, in part, has been made easier by the developed world’s bad conscience. The fact that few Northern nations have lived up to the 0.7% goals is something the South has managed to capitalize on: many debates about FFD have turned into a naming and shaming campaign by the South. One Southern delegate, however, maintains that the South could and should push the guilt of the North even further. She suggested placing posters throughout the UN spelling out the North’s hypocrisy regarding its unmet promises. Another G-77 delegate contended, however, that there is no such need since the few countries that had reached or surpassed the 0.7% goal provide sufficient shaming of those who have not, every time they mention their satisfaction with having lived up to their promises.

The recent global financial crisis has further sharpened the lines between the opposing ideological sides. Developing countries say that

⁵⁷ <http://www.worldhunger.org/articles/05/us/oda.htm>

the effects of the crisis are felt the most in the poorest among them. They contrasted the developed world's willingness to bail out their own banks and whole financial sectors with their unwillingness to provide "bailout funds" for the developing world.

As with the discussion over the bailout of banks in the EU and US, the financial crisis led to discussions about the degree of control donors should have over the recipients of scaled-up resources they provide. Draft Resolution A/C.2/64/L.19 from November 2009 "urges international financial institutions, regulatory bodies and other financial institutions to mitigate the global economic impacts of the current financial crisis, provide sufficient financial resources, without conditionalities, to developing countries."

System-Wide Coherence

Related to the issue of how to finance the UN's development goals is the question of how to make the system work more smoothly and channel funding to the right places in the most efficient manner, while avoiding duplication and overlap. System-wide coherence (SWC), although a relatively new term, is something that, in effect, has been promoted at the UN for several years. Ever since the creation of the UN, there have been yearly changes and attempts of optimization but it wasn't until the 2005 World Summit that the concept was put on the agenda in its current form. The basic principle of SWC is to improve the overall coherence of the UN's development-related activities.⁵⁸

In 2006, then Secretary-General Kofi Annan set up the *High-Level Panel on System-Wide Coherence*, which delivered its final report in November that same year. From the beginning, however, the Panel was strongly influenced by two groups: the G13⁵⁹ on one side, and the Joint Coordinating Committee (JCC), coordinating G-77 and NAM positions, on the other. One of the key issues in the fierce discussions that followed the inception of the Panel was one that regularly reoccurs: namely, what role should the UN play in

⁵⁸ For more analysis on system-wide coherence: see www.centerforunreform.org/node/33

⁵⁹ A group of 13 donor countries: Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, UK

development strategies? The developed countries generally prefer to leave this primarily with the Bretton Woods (BW) institutions, the WTO and the like, whereas developing nations are unyielding in their insistence that the UN must be the main body dealing with development issues. The most widely discussed and implemented point from the report on system-wide coherence became known as the “one-UN” concept.

The system-wide efforts have been put into five categories or clusters: strengthening governance of operational activities for development; delivering as one (DaO); enhancing funding architecture for operational activities for development; harmonization of business practices; and creation of a composite gender entity. Just like certain blocs have insisted on “comprehensive reform” of the Security Council, the JCC has maintained that the five clusters within the SWC debate must be approached in a comprehensive fashion and not be broken into separate issues. This strategy is seen by some countries in the North and by some NGOs as an attempt on behalf of developing countries to be able to stall the process should the North attempt to push for reform on specific issues such as human rights. Obviously, it is much more complex to negotiate all five clusters at the same time. According to the North, this is exactly the goal of the JCC. The JCC further complained early in the discussion on the new cluster system that a lack of clarity in the recommendations from the Panel could result in them being used to impose conditions on development assistance. One G-77 Ambassador, interviewed by the Center, said that his country opposed letting processes such as these become norm-setting and create guidelines. These matters should be decided on in intergovernmental negotiations, this Ambassador added.

Streamlining the UN’s development efforts has proven much more polarizing than one would expect. While some pilot countries, Tanzania stands out among them, have benefited greatly from the “delivering as one” efforts and strongly support them, other G-77 members are much less sympathetic to several of the proposed reform initiatives. Despite this, the group continues to work together on SWC under the umbrella of the JCC.

Northern delegates interviewed by the Center have stated that some G-77 countries are against any reform of development-related

work because they fear it could lead to cuts in funding for the UN. The fear on behalf of the developing world is that “reform” is a euphemism for “cutting aid,” while the developed countries, as previously discussed, insist that they want to maintain the funding level as it is but want more results for their money. As described in an earlier publication by the Center,⁶⁰ The developing nations’ fears may not be entirely unfounded and one UN official told the Center that developed countries seem to pursue the agenda of transparency and human rights much more vigorously in the developing world than at home.

One of the major issues under the system-wide coherence umbrella is the creation of a new “Composite Gender Entity.” The negotiations were under way for years and there were frequent official statements declaring that it was almost ready to be launched before it finally became a reality in July 2010.⁶¹ As with so many other reform issues, Egypt has involuntarily taken on the role as a piñata for the North: several Northern delegates blamed Egypt for being the one country that did the most to block the creation of the gender unit. One Northern diplomat told the Center that Egypt seemed to be using the gender unit as a bargaining chip in the general FFD negotiations, while others believe that Egypt’s apparent dislike for the unit is more ideological. The JCC, right from the beginning of the discussion, said that they saw the gender entity as a Western concern, which should not be dealt with as an isolated issue. This does not mean, however, that the group concedes their alleged role in stalling the process. A representative from the current Chairmanship of the G-77 told the Center: “how can they say we [the G-77] are blocking the process? We were one of the co-sponsors of the resolution⁶² and we’re the only group that has given real input.” Another said, “The point for us is to have a comprehensive solution. That gets mistaken as a sign that we are blocking the process. We want all the clusters included in one resolution and we

⁶⁰ <http://www.centerforunreform.org/node/33>

⁶¹ For a discussion on recent discussion concerning the gender entity, see here: <http://www.reformtheun.org/index.php/eupdate/5410>

⁶² E/CN.6/2010/L.7

want to do it this year,” this delegate said, thus underlining the group’s eagerness to push the reform through.

It should be noted that with regard to the Gender Entity discussion there seemed to be quite a lot of internal variety of opinion within the G-77. Latin American and Arab countries in particular disagreed on several points. Overall, as will become clearer in the chapter on the Third Committee, it was just a small group of G-77 countries that complicated the process.

Another issue that has arisen within the discussion on SWC is that of voluntary (non-core) vs. mandatory (core) funding. As described elsewhere in this chapter, the developing countries are not at all excited about the voluntary contributions coming from the developed world. Developing countries see these non-core funds as reflecting Northern priorities rather than as an indication of genuine cooperation with developing countries. In a debate on the subject in April 2010, the JCC suggested making comprehensive legislation on core vs. non-core funding and creating a more transparent system for funding.⁶³ Related to the core/non-core debate is the issue of “critical mass,” which is a term used to describe the level of funds necessary to implement the UN’s development agenda. Unsurprisingly, the definitions for this mass vary greatly but the relation to the core/non-core discussion is to define the critical mass as that non-core funding will be used for additional programs once the critical mass has been reached. The JCC is adamant about not having a rigid definition of the critical mass in order to avoid setting the bar too low, while developed countries generally prefer to allocate their funds in a non-core fashion. As one European diplomat told the Center: “It is utterly unrealistic for developing countries to think that donors would simply put all their money in one big UN fund and then let everyone collectively decide what to do with it. We want to give money, but we also need to respond to the priorities set by the voters at home.”

Several Northern delegates are puzzled by the G-77’s common approach to system-wide coherence. Given that some developing countries stand to win obvious developmental gains, it has been a surprise to many in the developed world that the G-77 has been able

⁶³ <http://www.reformtheun.org/index.php/cupdate/5597>

to maintain what the North sees as an obstructionist agenda. The unity within the group, however, may not be as cohesive as some suggest. As indicated above, the pilot countries for the one-UN initiative, in particular, are strong proponents of some sort of reform, while others in the G-77 are much less enthusiastic.

Trade

When the G-77 was first created around the initial 1964 UNCTAD session, it was with the goal of promoting the economic interests of the developing world. One of the main solutions to the South's economic disadvantages was related to improving the international trade system. Trade barriers and subsidies, contend the critics of these measures, leave the developing world tremendously disadvantaged. While not all G-77 countries seem to attribute equal importance to trade, the group stays united on the issue. One European delegate describes the group as "very inflexible" and says it "sticks to its pre-agreed agenda." In that sense, this delegate contends, the G-77 is not that different from the EU.

The issue of international trade was on the G-77's agenda from the outset. However, the international trade system has changed significantly. The General Agreement on Tariffs and Trade, created in 1947, was replaced by the World Trade Organization in 1994. In addition, several regional trade organizations and trade unions have been created, and, perhaps most importantly, the EU has expanded and has strengthened its internal trade cooperation. In the eyes of the G-77—and many NGOs working on the issue—the international trade system is unfair and extremely unfavorable to the poorest nations of the world. Oxfam, a renowned development organization, argues that, "rich countries limit and control poor countries' share of the world market by charging high taxes on imported goods. As a result, many poor countries can only afford to export raw materials, which give far lower returns than finished products." Much like the debate regarding ODA, trade seems to be causing a level of bad conscience among many developed states.

A statement from the general debate of the Second Committee in 2005 summarizes the G-77's position on trade quite succinctly, making it clear that the trade system needs to be fair and just, but

also “one in which the comparative advantage of developing countries will not be undermined by the arbitrary and abusive use of non-tariff barriers.” The group further reiterated their call for “the elimination of export subsidies by developed countries, enhanced market access for goods and services of developing countries in the markets of developed countries and the need for the integration of the development dimension in rule-making in the intellectual property regime to facilitate the transfer of technology and knowledge to developing countries.”⁶⁴ Draft resolution A/C.2/64/L.5 from October 2009 calls for “a development-oriented outcome” of the Doha Development Round of trade negotiations, which ensures “greater market access for products from developing countries.”⁶⁵ In 2005, the Jamaican Chair spelled out the group’s concerns in stating: “the matter of enhanced market access for products of developing countries to developed countries’ markets cannot be overstated.” The Chair further welcomed: “the focus on the need for immediate duty-free and quota-free market access for all exports from the least developed countries” and made it clear that “the focus here is on access to developed country markets.”⁶⁶ A perhaps even clearer elaboration of the dissatisfaction of the group is found in a 2003 statement,⁶⁷ which says:

International trade remains the principal engine for development. Countries of the South cannot achieve the MDGs without the developed countries removing the trade barriers, which prevent these countries from exploring fully their export potential and economic growth. Currently, protectionism in developed countries affects mainly exports where poor countries have a comparative advantage, in particular agricultural products, textiles and clothing as well as the semi-processed products, which are labor-intensive sectors.⁶⁸ The list of G-77 statements on this issue is long.

⁶⁴ <http://www.G77.org/Speeches/100305.htm>

⁶⁵ <http://daccess-ods.un.org/TMP/8884748.html>

⁶⁶ <http://www.un.org/special-rep/ohrrls/NewsArchive/25%20apr%2005%20smt%20by%20amb%20stafford-Jamaica.htm>

⁶⁷ In draft proposal A/C.2/64/L.27, the group reiterates: “the need to ensure that trade is supportive of agriculture through greater market access and the elimination of trade-distorting subsidies” and “calls for the immediate elimination of all forms of agricultural subsidies and other market—distorting measures by developed countries.”

⁶⁸ <http://www.G77.org/Speeches/100603.htm>

The main body overseeing and regulating international trade, the WTO, has at times become the subject of intense discussions with allegations of bias against developing countries. In 2005, the G-77 said, “it is important that specific steps be taken to introduce greater equity and efficiency in the WTO decision-making process (...). Priority should be given to achieving the universal membership of the WTO by removing excessive barriers to entry, which would also make political exceptions unnecessary in the process of accession.”⁶⁹ One Southern delegate told the Center that while China was allowed into the membership of the WTO without meeting all the official requirements, this would not be possible for most developing countries. The organization needs to be more inclusive, this delegate opines, if it is to effectively regulate global trade. As discussed above, the issue of conditionalities is one that makes the G-77 react strongly wherever it occurs, including on the criteria for membership in global organizations.

Like conditions attached to development aid, trade sanctions are seen as highly problematic—if not outright illegal—by the G-77. Draft proposal A/C.2/64/L.40 from November 2009 expresses “deep concern” with the “imposition of laws and other forms of coercive economic measures including unilateral sanctions against developing countries, which undermine international law and the rules of the World Trade Organization and also severely threaten the freedom of trade and investment.”⁷⁰

While there is an overall extreme distaste for Northern protectionist measures, there is less agreement within the G-77 on protective measures imposed by the developing countries themselves. One delegate shared with the Center an example that illustrates the group’s approach to trade barriers: a cluster of countries within the G-77 believes that developing countries should be allowed a certain level of trade barriers and subsidies, given the long-lasting disadvantages these countries have faced and continue to face. At the other end of the spectrum, are the G-77 member countries with the most open markets and liberal economies, who think that each and

⁶⁹ <http://www.G77.org/Speeches/042505.htm>

⁷⁰ <http://www.un.org/Docs/journal/asp/ws.asp?m=A/C.2/64/L.40>

every trade restrictive measure is bad. One sub-group, therefore, pushed resolutions condemning all trade restrictions, while the other group argued for banning only those imposed by the North. The compromise reached in the end was a text condemning protective measures in general and particularly those imposed by the North. This could be said to provide an insight into the general dynamics of the group as well as the art of making consensus within a diverse group.

Related to the discussion on barriers is the fact that many developing countries have trade barriers for one another. A representative of the G-77, however, told the Center that they do what they can to keep the trade discussions flowing between the North and the South rather than between individual countries in the South, as the North/South debate is of far greater concern and therefore more contentious. Furthermore, the appearance of Southern unity is of paramount importance for developing states in their dealings with the North in order to bolster their negotiating power.

Even though the group is especially involved in matters related to trade, there is a divide within the group between countries that stand to benefit a lot from trade liberalization, and those who would gain less, or perhaps even lose out. The countries that, due to their better infrastructures in financial, transportation and other sectors, are best prepared to seize the opening of Northern markets—the emerging economic powers—would be at a much more advantageous situation than LDCs, if Northern markets became more welcoming to Southern commodities. A staff person from the UN's Secretariat told the Center that, “The bigger countries in the G-77 and those who are G20 members are more interested in structural and systemic issues such as trade regulations. The LDCs don't really care too much about these because many of them are food importers and would stand to lose from further liberalization of markets. They are more interested in the MDGs.” A diplomat from a small G-77 country told the Center that trade gets more attention than ODA in the group, which may be partially due to the fact described above, that many Second Committee delegates at the expert level are not, in fact, experts and therefore are not cognizant of many of the minute details. This capacity issue is a point that is emphasized continuously

by delegates from smaller countries, as they simply do not have the resources to attend all meetings and contribute to all the internal discussions of the G-77. One delegate told the Center that many Missions have only one delegate for the entire Second Committee; some of whom also have to cover the Fifth Committee. At the other end of the spectrum, several delegates have told the Center that the trade agenda is really driven by a few countries within the G-77, namely Brazil, India and a handful of other countries that have the most interest in trade issues. The G-77 chapter in Geneva,⁷¹ because of its geographical proximity to and overlapping interests with the WTO and UNCTAD, however, focuses more heavily on trade than the G-77 in New York does.

Since trade is dealt with at various other fora outside the UN, it is difficult to assess the G-77's impact on global trade negotiations. The Doha Development Round, which is the current round of trade negotiations of the WTO, was opened in 2001 and has been stalled since 2008 over issues relating mainly to tariffs. The big divide is between the developing countries—although in this case they are not represented by the G-77, but rather by other groups such as the African group, the G-33 group and the Cotton-4 group—and the developed world.⁷² Given that the Doha Rounds, and the WTO in general, are the main venues for the changing of global trade law, and given the stalemate in these fora for several years, it is difficult to evaluate the degree of success for the G-77. In March 2010, the group reiterated its goal of establishing a: “universal, rules-based, open, non-discriminatory and equitable multilateral trading system.”⁷³ By that yardstick they clearly have a long way to go.

Debt

Throughout the 2000's, several attempts were made to make the rich countries of the world forgive debt incurred by the world's poorest countries. Some of these attempts were successful and many countries were granted partial or full debt relief. Many Southern

⁷¹ <http://www.G77.org/geneva/index.html>

⁷² http://www.wto.org/english/tratop_e/dda_e/negotiating_groups_e.htm

⁷³ <http://www.G77.org/statement/getstatement.php?id=100318>

nations, however, still see debt as one of the major obstacles to their full economic development. A comprehensive draft proposal from October 2009 on *External Debt Sustainability and Development* spells out many of the G-77's concerns.⁷⁴ Because it mentions almost all of the most important issues for the G-77, it is worth reproducing here a large part of the proposal:

- Stresses the need to assist developing countries to respond to the crisis without requiring them to incur unsustainable levels of debt and without increasing the risk of relapsing into another debt crisis;
- Underlines the facts that the long-term sustainability of debt depends on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development;
- Notes with concern that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative are still classified as being at high risk of debt distress;
- Calls for the full and timely implementation of the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative and for continued support to countries to complete the Heavily Indebted Poor Countries Initiative process, and encourages progress to complete the debt relief process;
- Calls for the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based and other forms of concessionary financing, cancellation of 100 per cent of the eligible official multilateral and bilateral debt of heavily indebted poor countries and (...) significant debt relief or restructuring for developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;
- Stresses the need to continue to take effective measures to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private.

As discussed above, the G-77's stance on the North's commitments vis-à-vis development aid is clear. The group is equally clear when it comes to the North's commitment regarding debt. In 2005, the group said: "Full finance for debt initiatives should (...) be provided independent of the provisions for ODA and there should be an automatic adjustment in debt servicing, in line with changes in the prices of principal commodities exported by debtor countries and

⁷⁴ A/C.2/64/L.9, found at <http://www.un.org/ga/second/64/proposalstatus.shtml>

other adverse economic shocks.”⁷⁵ In A/C.2/64/L.9, the group calls for: “coordinated policies aimed at fostering debt financing, debt relief and debt restructuring,” that go beyond the FFD efforts. Nonetheless, a representative of the G-77 told the Center: “we have to be realistic: we can’t just say we want, we want, we want.” He added that the group must understand that developed countries are concerned that if they just cancel debt, money might go into corruption and waste or even facilitating these types of misuse. The delegate suggested that rather than canceling the debt, developing countries could collect the repayments and then re-invest it in the countries providing the payments, but others seem to find this idea to be paternalistic.

The full geographical, economic and political diversity of the G-77 is not always apparent in the Second Committee; after all, the entire membership falls within the “developing countries” category (although Chile recently joined the OECD). However, when it comes to debt, the variety of the group is apparent. While all the Heavily Indebted Poor Countries are members of the G-77 (almost all of them from Africa), not all countries in the group are in urgent need of debt relief. One delegate from a middle income G-77 country said that while his country does not need debt relief, it “of course” supports and stands with the countries that do need relief.

As is the case with other subjects discussed in the Second Committee, the G-77 has a propensity to link debt with other issues. A statement from October 2009 illustrates how the G-77 considers market access and fair trade policies as integral to the discussion of debt sustainability. In the statement, the G-77 states that it is “convinced that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries.”⁷⁶ In the same statement, the G-77 points out that the interplay between the different sectors work both ways: “debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals.” This holistic

⁷⁵ <http://www.G77.org/Speeches/042505.htm>

⁷⁶ A/C.2/64/L.9

approach means that almost all issues in the Second Committee become interrelated, which, again, means that, according to the G-77, real and thorough reform is needed to tackle the problems facing the development of the world's poorest nations.

One issue, however, that the G-77 does not want to link to debt-relief is ODA. According to the Development Assistance Committee (DAC), debt relief can be counted as ODA—a fact that both the G-77 and most NGOs working on the issue have been lobbying against for a long time. This definition of ODA has inflated the ODA as a percentage of GNI for countries like Germany and Ireland in the past. Furthermore, the group does not want debt relief to be connected to conditions of any kind. One G-77 delegate told the Center: “the donors always try to make debt relief incumbent on human rights but you can’t do that. Democracy isn’t the most important thing for people with empty stomachs. You can’t do that.”

A European diplomat told the Center that, “90% of the language on debt and trade issues is already in the resolutions on FFD,” but the G-77 is adamant about having agreement on the trade and debt resolutions because they want to strengthen the role of the UN on these issues. The same delegate said that especially the “hardliners” in the G-77 want to increase the UN’s control over development and economic affairs, but that this is difficult given the plethora of bodies involved in governing these issues. “Trade is really dealt with by the WTO,” the delegate said. “Debt is dealt with by the Paris Club and the Bretton Woods Institutions, and the financial issues by the IMF.” This seems to be exactly the root of the frustration that drives the G-77 to try to fortify the UN’s role. According to this European delegate, the UN’s role is merely to provide reflection and political guidance for the other institutions. “If I take off my suit and tie and become a private citizen, I understand some of the concerns the ‘extremists’ have,” confessed the delegate. “They want more democracy and transparency in the financial and economic global governing structures. It’s just not very realistic because things are controlled by the G20 and the Bretton Woods Institutions and other fora.” An Arab G-77 delegate told the Center that it is important for the UN to have a big role on global financial issues but that it is very difficult for the G-77 to exert influence because of the voting systems at the Bretton Woods Institutions.

Recently, the relative weight of countries' votes at the World Bank was changed. Supposedly, the intention was to give emerging economic powers more influence and that was indeed achieved. Among the countries that gained the most were China (by 1.64 percent), South Korea (0.58 percent), Turkey (0.55 percent), Mexico (0.5 percent), and Singapore (0.24 percent). While traditional economic powerhouses such as the UK, the US, Japan and France lost relative weighting power, many observers complained that the Bank failed to lend much needed support to the poorest developing countries.⁷⁷ A report from the Bretton Woods Project argues that:

A closer look shows that the World Bank will continue to be overwhelmingly dominated by rich countries. Yet developing countries represent over 80 per cent of the world's population and Bank's membership; are where almost all of the Bank's activities take place; and, through loan repayments, are the main financial contributors to the Bank. Inadequate reform stunts the Bank's legitimacy, limits its capacity to serve the interests of developing countries, and violates democratic principles.⁷⁸

Returning to the issue of the G20, the aforementioned diplomat told the Center: “They have done some good work on the financial crisis, but the crisis affects all of us, not just those twenty countries. Who will represent the LDCs at the G20 meetings?” The same diplomat told the Center that there is a widespread perception that the US—and to some extent the EU—does not want the UN to have any role at all in the international financial sector, which leads to a lot of distrust among the parties. This is a sentiment shared by several delegates interviewed by the Center. For further analysis on the relationship between the G-77 and the G20, see chapter 7.

The Right to Development

As discussed in chapter 5 on human rights, the issue of the *right to development* is one that is dealt with in both the Second and Third Committees. Although the concept of *rights* is dealt with more in the Third Committee, the G-77 also refers to the right to development in

⁷⁷ <http://www.ipsterraviva.net/UN/currentNew.aspx?new=7617>

⁷⁸ <http://www.brettonwoodsproject.org/art-566281>

the Second Committee, as this statement by Mr. Amar Daoud of Sudan from October 2009 shows:

Developing countries need to maintain their right to development through policy space to pursue policies and strategies based on their unique social, political, economic and environmental conditions.⁷⁹

While the right to development, as well as social and economic rights, fall within the purview of the Second Committee, rather than being discussed in this chapter, they will be dealt with in chapter 5. This may in fact reflect the G-77's stance on the issue, given that there seems to be a conscious effort on behalf of some of the group's members to keep the discussion on the right to development out of the Second Committee. One Northern delegate said that the G-77 attempts to keep all language on rights out of the Second Committee, arguing simply that it belongs in the Third Committee. When human rights *are* brought up, the group—or rather some of its more extreme members—insist that other rights, such as those of migrant workers, must be included in the discussion, thus in effect muting the conversation.

Conclusion

Delegates from the G-77 who follow the Second Committee discussions, echoed the sentiments of colleagues from other committees in their definition of what success looks like for the group. It is not necessarily the number of proposals coming from the group, but rather the amount of language they get into the final versions of resolutions. One delegate told the Center that resolutions requiring a vote are essentially useless. “If the developed countries abstain or vote against a resolution, they’re definitely not going to implement it. What worth does winning a vote have, then?” One could ask, of course, whether resolutions agreed to by consensus are implemented any more often. Whether one looks at the number of resolutions or amount of language, the G-77 must be said to have been successful in the Second Committee. The group sponsors a vast number of favorable resolutions that are agreed to every year and

⁷⁹ <http://www.G77.org/statement/getstatement.php?id=091021>

imprints its agenda on almost any document relating to development both within and outside the Second Committee. One Caribbean delegate told the Center that the Monterrey Consensus can be traced back to several Second Committee resolutions. Moreover, as already discussed above, issues like the MDGs are in large part shaped by G-77 language. The final outcome document on the financial crisis, which, among other things, included strong language on the role of the UN, is often mentioned as another recent victory for the group. A representative of the G-77 Chairman's office told the Center that the group is "very strong" in the Second Committee and that its strength has substantially grown over the last ten years. Another representative of the group, who has been working on the Second Committee for more than four years said: "the G-77 has grown stronger every year I have been here."

Furthermore, both Northern and Southern delegates, in interviews with the Center, have agreed that another way of measuring the impact of the group is the extent to which it has been able to simply keep issues on the agenda. Discussions on FFD, for example, are, in the eyes of many, being kept alive by the G-77 alone. Several delegates have told the Center that most developed countries are not particularly keen on having the item on the agenda at all.

Unfortunately, the gap between resolutions agreed to and full implementation of these resolutions, more often than not remains as large as ever. A representative from the G-77 told the Center that there is very little knowledge about the implementation of resolutions after they have been agreed to at the UN. While it would be desirable to monitor the implementation process, this delegate pointed out, the resolutions are important in and of themselves because they ensure that the issues continue to be discussed at the UN.