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**MINISTERIAL DECLARATION ON THE OCCASION OF THE
FORTIETH ANNIVERSARY OF THE GROUP OF 77**

We the Ministers of the Member States of the Group of 77 and China meeting in São Paulo, Brazil, on 11 and 12 June 2004 for the commemoration of the fortieth anniversary of the Group of 77,

Having reviewed on the eve of UNCTAD XI the achievements of the Group of 77 and the challenges facing it over 40 years of commitment to the cause of development; and having assessed the complex and fast changing world economy and the evolving international economic relations in the face of new challenges and opportunities,

Reaffirming the common aspirations, unity and solidarity that led to the adoption of the Joint Declaration of the Seventy-seven developing countries at the conclusion of the first session of the United Nations Conference on Trade and Development, on 15 June 1964 in Geneva, and the Charter of Algiers on the occasion of the First Ministerial Meeting of the Group of 77, on 25 October 1967 in Algiers, Algeria,

Recognizing the continued expansion of its membership from 77 to more than 130 countries today,

Reaffirming the positive approach that guides the work and the role of the Group in dealing with international economic and development issues, and the principles of cooperation and non-confrontation, on the basis of interdependence of nations and the shared values and common destiny of mankind, solemnly declare the following:

1. The establishment of the Group of 77 at the first UN Conference on Trade and Development (UNCTAD) was a historic turning point as the developing countries found a common platform to voice their concerns and form consensus to advance their economic interests. By acting collectively, developing countries acquired a degree of strength to influence the international agenda that they would not have been able to achieve individually.

2. The Group continues to strive for equity and justice in international economic relations in the belief that this can build a really solid foundation for world peace and contribute to a stable and prosperous world.

3. The fact that the Group was born alongside UNCTAD reflects the acknowledgment that the establishment of an equitable international trade regime has been a central issue to the development agenda. Subsequently, the Group brought its collective will to bear on the pursuit of common goals in the related fields of, *inter alia*, finance, foreign direct investment, capital markets, external debt, food, agriculture, industrialization, intellectual property rights, social development, health, education, sustainable development, science and technology, and information and communication technology. The institutional development of the Group of 77 led to the creation of chapters to defend and promote the interests of developing countries within the organizations of the UN system, including the Bretton Woods Institutions.

4. The Group of 77 continues to exercise a significant influence in enhancing economic and social multilateral diplomacy. Among its major achievements are its contributions to the successful negotiation of the Generalized System of Preferences (GSP), the Charter of Economic Rights and Duties and the Integrated Programme for Commodities including the Common Fund. The Group also played an important role in the adoption of internationally agreed targets for the transfer of resources to developing countries. Initiatives taken by the Group led to the creation of new institutions like UNIDO and IFAD, and the formulation of new rules, guidelines, norms, principles and a comprehensive framework of cooperation on a whole new range of economic and social issues. Real landmarks in this regard have been the launch and development of South-South cooperation, the holding of UN major conferences and summits and the adoption by the UN General Assembly of the Declaration and Programme of Action for the Establishment of a New International Economic Order.

5. The Group of 77 has also made a notable contribution to the effective functioning of the United Nations system. The Group has played a leading role in strengthening of the UN system in addressing global issues, particularly in the economic and social fields. The Group stresses the continued need to integrate the development dimension at the heart of international decision and rule making and in addressing the global processes.

6. The main strengths of the Group of 77 have been its unity and solidarity, its vision of fair and equitable multilateral relations, the commitment of its member States to the well-being of the peoples of the South, as well as their commitment to mutually beneficial co-operation.

7. We emphasize the historical importance of the First South Summit of the Group held in Havana, Cuba, in April 2000, which adopted the Havana Declaration and Programme of Action that undertook to pursue a sharply focused action-oriented agenda, geared to implementing a number of high-priority initiatives within specified timeframes. The effective implementation of the Havana Programme of Action requires the necessary resources and the collective efforts of the Members of the Group in this regard.

8. The High-level Conference on South-South Cooperation, held in Marrakech, Morocco, in December 2003, adopted the Marrakech Declaration and the Marrakech Framework for the Implementation of South-South Cooperation, which reaffirmed the commitment of the members to South-South cooperation and identified specific measures and initiatives to achieve this goal. We reaffirm our commitment to the implementation of these measures and initiatives and to expediting the achievement of the time-bound objectives contained in the Marrakech Framework for the Implementation of South-South Cooperation.

9. South-South cooperation has always been regarded as an effective tool to maintain and strengthen our solidarity and unity. Through South-South cooperation, including at the regional and subregional level, developing countries have been able to avail themselves of the opportunities that lie beyond their borders for enhancing the welfare of their people. We note with satisfaction the progress

made so far by the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries (PGTF) in support of South-South cooperation. We welcome the initiatives launched and undertaken by members of the Group aimed at poverty eradication and promotion of social development.

10. We express appreciation for the work of the South Centre and in this regard resolve to strengthen the Centre as a think-tank of the countries of the South.

11. Several items that were on the agenda of the Group of 77 in 1964 remain valid, such as the asymmetries of the multilateral trading system, the transfer of resources between developing and developed economies, including the insufficient flows of official development assistance and the debt burden, the volatility of commodity markets and the dismantling of protectionist barriers to the markets of developed countries. Moreover, new issues such as sustainable development, social development and equity and inclusion, the increased frequency of financial crises, trade subsidies, in particular in agricultural products, the role of information and communication technologies and illicit international transactions demand a concerted global response from the international community.

12. The expectations of greater global security and a just and non-discriminatory international economic and social order have not been realized. The world today is beset by acute economic and social problems, many of them structural in nature. International economic relations also continue to be marked by uncertainty and imbalances, with marginalization of developing countries and in particular the least developed. The Group has expressed its deep concern about the tendency by developed countries to take decisions that affect the world economy outside the multilateral framework of the United Nations system and without giving full considerations to the interests of developing countries.

13. We stress the importance of strengthening multilateralism and the United Nations system in the face of growing unilateralism as well as attempts to put in place new regimes and rules limiting the policy space available to developing countries and their choices for macro-economic policy making. The developing countries can meet this challenge by acting collectively.

14. The process of globalization and liberalization has produced uneven benefits among countries. The international disciplines and obligations are also increasingly encompassing rules that frame development policy choices of developing countries. These developments, which have had negative economic and social effects, underscore the importance of ensuring policy space for developing countries to advance national development objectives based on their development, financial and trade needs. The liberalization of trade policy regimes should not intrude on national policy space. This calls for development strategies that would ensure an optimal balance between efficiency and equity. In this process, the role of the State is critical in defining national needs and priorities. This also calls for the "governance of globalization" which places development at the very centre of global concerns, including with respect to corporate social responsibility. There is a need to integrate the development dimension into international economic processes and rule making. The opportunity offered by the ICT revolution must be utilized to bridge both the digital and development divide.

15. Developing countries must be assisted to effectively participate and respond to the challenges and derive benefits from international trade and multilateral trade negotiations. A development-friendly international economic environment should be ensured within which fuller and beneficial integration of developing countries into the world economy can be facilitated. This will make an important contribution to the realization of the Millennium Development Goals, including a multilateral trading system which is truly open, equitable, rule-based, predictable and non-discriminatory and which takes on board core interests and concerns of developing countries. The Group of 77 is concerned that the negotiations so far have not met the expectations of developing countries. Developed countries are invited to demonstrate the required political will to fulfill the commitments that they undertook in Doha, particularly that development will be at the forefront of

multilateral trade negotiations. Thus, the important objective of the Doha Declaration, which has placed the needs and interest of developing countries at the heart of the Doha Work Programme, must be vigorously and continuously pursued with a view to bringing about concrete, identifiable and implementable development-oriented outcomes from multilateral trade negotiations on the whole range of issues of particular concern to developing countries. Facilitating the accession of developing countries to the WTO remains a major objective.

16. We emphasize, the importance of the strengthening and attainment of the universality of the World Trade Organization and, in this context, call for accelerating the accession process without political impediments and in an expeditious and transparent manner for developing countries applying to the World Trade Organization, and also the provision of technical assistance by the World Trade Organization and the United Nations Conference on Trade and Development, within their mandates, thereby contributing to the rapid and full integration of those countries into multilateral trading system.

17. The Group of 77 stresses the importance for all countries of consistency between national trade policies and the multilateral trade agreements. In this regard, we reiterate our concern and call for the elimination of the continuing use of unilateral coercive economic and trade measures against developing countries such as economic and trade sanctions that are in contradiction with the UN Charter and WTO rules.

18. Convinced of the importance of enhancing South-South trade, we welcome the decision to revive the Global System of Trade Preferences among Developing Countries (GSTP), established in 1989, and to launch the third round of negotiations aimed at integrating and furthering the objectives of the GSTP agreement. The third round should ensure equitable, meaningful, and mutual advantageous contributions to the GSTP to enhance South-South trade.

19. We are concerned about the adverse effects of domestic support and subsidies granted to the production and export of commodities by some developed countries that cause distortions in international trade and undermine trade opportunities.

20. The Ministers, concerned about the adverse effects of domestic support and subsidies granted to the production and export of cotton by some developed countries that cause distortions in international trade and undermine trade opportunities while worsening the economic and social situation of the LDCs that are cotton producers and exporters, also urge those developed countries to expeditiously complete, as far as cotton is concerned, the elimination of both export subsidies and production-related domestic support.

21. As the focal point within the United Nations for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, and with its interrelated functions comprising research and policy analysis, intergovernmental deliberations and consensus building and technical cooperation, UNCTAD is pre-eminently placed to respond to the current and emerging challenges facing developing countries. The mandate and functions of UNCTAD give the institution a special role in the overall configuration of multilateral institutions. Recent decisions of the General Assembly to request UNCTAD to contribute not only to the implementation of the outcomes of major conferences but also to review the progress in the implementation of the commitments made and of the agreement reached and to include UNCTAD in the high-level dialogue of ECOSOC with the Bretton Woods Institutions and the WTO are welcomed. UNCTAD XI is another milestone both in the life of UNCTAD and in that of the Group of 77, which continue to benefit from the multi-disciplinary activities of the organization. The consensus reached in Sao Paulo, and its reaffirmation of the Bangkok Plan of Action, provide the framework for UNCTAD's work in the next four years. The main theme and the four subthemes of UNCTAD XI represent a solid basis to build upon and expand in a forward looking direction aimed at further strengthening UNCTAD at its twelfth session in 2008. The international community is invited to support UNCTAD in all its areas of work.

22. The Group stresses the need for international rules to allow policy space and policy flexibility for developing countries, as they are directly related to the development strategies of national governments. The Group further emphasizes the need for policy space to formulate development strategies that take into account national interests and differing needs of countries which are not always taken into account by international economic policy making in the process of integration with the global economy.

23. We attach high priority to the reform of the United Nations and we reiterate our willingness to actively participate in the negotiations for the strengthening of the Organization, in order that it efficiently responds to the current and future challenges including the requirements, concerns and interests of developing countries which constitute the vast majority of its membership. We reaffirm that such negotiations should be aimed at strengthening multilateralism, endowing the Organization with a substantive capacity to fully and effectively meet the purposes and principles enshrined in the Charter, and to consolidate its democratic character and its transparency in the discussion and implementation of decisions of Member States.

24. We remain committed to the Millennium Development Goals and other internationally agreed development goals and multilateral commitments and initiatives aimed at poverty eradication. In this regard, we call upon the international community and the United Nations system to fully and speedily achieve the Millennium Development Goals and other development goals set out in the major United Nations conferences and summits as well as in their respective reviews. The Group further emphasizes the need for international development cooperation to take fully into account national development strategies of developing countries.

25. The Group of 77 is determined to work actively for the success of the high-level plenary meeting to be held at the commencement of the 60th United Nations General Assembly, in 2005, with the participation of the Heads of State and Government to review progress made in the fulfillment of all the commitments made in the United Nations Millennium Declaration, including the internationally agreed development goals and the global partnership required for their achievement, and the progress made in the integrated and coordinated implementation, at the national, regional and international levels, of the outcomes and commitments of the major United Nations conferences and summits in the economic and social fields. We stress that if the Millennium Development Goals are to be achieved by 2015, there is an urgent need to ensure a genuine Global Partnership for Development, which requires increased commitment and implementation on the part of developed countries.

26. Considering the achievements of the Group of 77 over the last 40 years and bearing in mind that globalization in the 21st century should and needs to be fully inclusive and equitable, we need to consolidate and accelerate the gains achieved through the realization of the mandate of the Group of 77 including, amongst other things, the necessity to ensure delivery of the Millennium Development Goals and the goals contained in the outcomes of the major UN Conferences and Summits in the economic and social fields,

27. We stress the importance of strengthening cooperation and coordination between the Group of 77 and China and the Non-Aligned Movement through the JCC for the promotion of the common priorities of the developing countries and South-South cooperation.

28. The North-South dialogue and negotiations require genuine cooperation for development through global partnership. It is in this spirit that the current and future challenges can be resolved. We call upon developed countries to show the same determination in this respect as the Group of 77 has been doing over the years so that the development of all nations can be achieved, in particular those of developing countries. We stress the importance of the early conclusion of ongoing efforts to strengthen the participation and representation of developing countries in global economic governance. It is only in this way that multilateralism will achieve its full potential.

29. We reaffirm our commitment to the Declaration on the Right to Development as contained in General Assembly resolution 41/128 of 4 December 1986, and encourage its full and effective implementation.

30. Responding to both current and emerging challenges requires adaptation to the realities of today's world. The Group of 77 recognizes the role that civil society and the business community can play as important partners in promoting the development objectives and goals of developing countries. A more systematic relationship and cooperation with relevant stakeholders supportive of the development process will be pursued.

31. The forthcoming Second South Summit in 2005 will be the occasion to assess the implementation of the Havana Programme of Action and the Marrakech Framework for the Implementation of South-South Cooperation.

32. We recognize and acknowledge the special needs of the least developed countries, the small island developing States, and the landlocked developing countries within a New Global Framework for transit transport cooperation for landlocked and transit developing countries and reaffirm our continued support for their endeavours in every regard, particularly in their efforts to achieve the Millennium Development Goals and the implementation of the Brussels Programme of Action, the Barbados Programme of Action and the Almaty Programme of Action.

33. We support the efforts of African countries to address the challenges of poverty eradication and development through the implementation of NEPAD.

34. The Group of 77 reiterates the necessity of the access of all developing countries to information and communication technologies, which is essential in promoting sustainable development and achieving the Millennium Development Goals. In this regard, we stress the importance of the effective preparation and participation of all developing countries in the second phase of the world Summit on the Information Society due to be held in Tunis from 16 to 18 November 2005.

35. We firmly reject the imposition of laws and regulations that entail extraterritorial consequences and all other forms of coercive economic measures, including unilateral sanctions against developing countries, and reiterate the urgent need for their immediate repeal. We underline that those measures undermine the principles enshrined in the Charter of the United Nations and international law and are in contradiction with the principles of the multilateral trading system and WTO rules and also constitute a serious threat to the freedom of commerce, navigation and investment. Therefore, we call upon the international community to reject those measures and promote their total elimination.

36. We recognize the severe negative impact of foreign occupation on efforts towards sustainable development and poverty eradication and reaffirm in this regard our commitment, along with the international community, to address this matter and to exert efforts to ameliorate the economic, social and environmental conditions in areas affected by it.

37. We express our appreciation and gratitude to Brazil and its people for the excellent organization and hosting of the Special Ministerial Meeting on the occasion of the 40th anniversary of the Group of 77 and the warm hospitality which was bestowed on us in the city of São Paulo.
