



GROUP OF FIFTEEN
The Summit Level Group of Developing Countries

**XI SUMMIT OF THE HEADS OF STATE AND GOVERNMENT
OF THE GROUP OF FIFTEEN**
Jakarta, Indonesia, 30 - 31 May 2001

JOINT COMMUNIQUE

1. We, the Heads of State and Government of the Group of Fifteen, meeting in Jakarta, Indonesia, on 30-31 May 2001 for our Eleventh Summit, underscore our commitment to explore measures for harnessing the potentials of information and communications technology (ICT) for development in our countries and other developing countries. We resolve also to rededicate ourselves to deepening cooperation and collaboration among our countries and with the wider community of developing countries. We reaffirm our desire to engage our developed partners through effective dialogue and partnership towards creating an international economic environment conducive to development. We reiterate the need to maintain peace, security and stability, which are indispensable conditions for social and economic development and reaffirm our commitment to these objectives. In this context, we are fully committed to the advancement of the objectives of the Millennium Summit Declaration and the United Nations Year of Dialogue among Civilizations.

2. We note that despite the rapid recovery of the global economy in 1999 and early 2000, the looming slowdown reduces prospects for sustaining this momentum. This influences negatively, the projections for sustained economic growth and sustainable development in developing countries. These developments highlight the need for a new global approach, to bolster cooperation and partnership to promote a more equitable sharing of the benefits of globalization. This is vital for the realization of the enormous potentials of new technologies to reduce the widening gap between developed and developing countries.

3. We have sustained the momentum of the desired macroeconomic and structural reforms aimed at sustaining economic growth and deepening our integration into the global economy. While such progress has undoubtedly improved the prospects for growth in our countries, we continue to face challenges and uncertainties, including the risk of further volatility in the financial markets, a slowdown in the growth of the world economy, increasing protectionism in developed countries, high levels of structural unemployment, poverty, and widening income gaps between countries. We therefore recognize the need to have a higher degree of macroeconomic co-ordination among developed countries to promote a conducive environment for growth and development and to minimize the adverse social and economic consequences of globalization.

4. We recognize that information and communications technologies (ICT) are central to the emergence of the knowledge-based economy. We are however deeply concerned that the huge potential of ICT for advancing development is largely eluding most developing countries resulting in a growing digital divide. We hold that there is an urgent need to develop a common vision and adequate as well as prompt international cooperation to bridge

this divide, to allow the information and knowledge revolution to reduce economic inequalities among peoples, countries and regions of the world. With a view to contributing to, and benefiting from on going international initiatives as well as evolving a framework of cooperation among our countries, we have adopted the Jakarta Declaration on ICT.

5. We note with concern that 1.2 billion of the world's population still live in conditions of abject poverty and deprivation, and the international community must therefore demonstrate greater commitment to making the right to development a reality. We reaffirm our commitment to national, regional and international endeavours to fight poverty. To this end, our countries must be at the forefront of efforts to galvanize concrete international actions to attain the goals of the Copenhagen Declaration and Programme of Action of the World Summit for Social Development as well as the results of other UN global conferences of the 1990s that addressed poverty eradication in developing countries. In this context, we welcome the UN Millennium Declaration's reaffirmation of the resolve of the international community to halve, by the year 2015, the proportion of the world's population living in conditions of extreme poverty. We similarly consider the forthcoming *World Food Summit: Five Years - Later*, to be held on 5-9 November 2001 in Rome, as timely and deserving, and urge the full support and effective participation of the international community and relevant international institutions to ensure the attainment of food security for all.

6. We stress the urgent need for international measures to address pandemic and endemic diseases such as HIV/AIDS, Tuberculosis and Malaria that seriously accentuate poverty, as well as the need for financial resources and appropriate international rules to help developing countries to ensure the implementation of the necessary immunization programme against communicable diseases. We welcome the adoption of the Commission on Human Rights Resolution 2001/33 on "Access to medication in the Context of Pandemics such as HIV/AIDS" as well as the World Health Assembly resolutions on "Scaling up the Response to HIV/AIDS" and "WHO Medicines Strategy". The implementation of the Trade-Related Intellectual Property Rights (TRIPS) Agreement should in no way prevent developing countries from taking measures, such as compulsory licensing and parallel imports to ensure access to life-saving and essential drugs at affordable prices to overcome the hazards to public health and nutrition caused by HIV/AIDS and other diseases. We consider the forthcoming Special Discussion in the Council for TRIPS of the WTO as an opportunity for promoting a convergence of views in this regard.

7. We welcome the adoption of a Plan of Action at the Third United Nations Conference on Least Developed Countries (LDCs) held in Brussels in May 2001, and call on the international community, particularly the developed countries and relevant international institutions, to fulfil their commitments in the implementation of the Plan of Action.

8. In light of the significance of employment generation in alleviating poverty, we welcome the decision of the *Special Session of the United Nations General Assembly on World Summit for Social Development and Beyond* held from 26-30 June 2000 in Geneva, to convene a World Employment Forum, under the auspices of the International Labour Organization (ILO), in November 2001. We consider the Forum an opportunity for the formulation of a global framework for the realization of a Comprehensive Employment Strategy. In the preparations for the Forum, we urge the International Labour Office to take into consideration the G-15 initiative on a Comprehensive Employment Strategy and to ensure that actual implementation programmes figure prominently in the ILO's programme and budget for the years 2002 - 2003.

9. Recent trend towards greater reliance on private capital flows in financing development and in the diminishing role of official development assistance accentuates the inequality in the distribution of resources among countries, while at the same time inducing more volatility in financial flows. Capital flows to many developing countries continue to be insufficient in spite of the bold steps taken to restructure and reform their economies with a view to attracting higher levels of foreign investment flows. We therefore call for a pro-active approach to effective public and private partnerships in order to facilitate increased levels of resource flows to developing countries and, most particularly to the poor countries. We also call upon foreign investors to ensure that their activities take into account the development objectives of their host countries.

10. External capital flows, including Foreign Direct Investment (FDI) and Official Development Assistance (ODA), for development remain a critical means for most of the developing countries to generate sustained economic growth and sustainable development. We therefore express our deep concern on the dramatic decline, in real and nominal terms, in ODA flows to developing countries. We reiterate our call on the industrialized countries to strengthen their efforts to meet the United Nations agreed target of 0.7 per cent of their GDP for overall ODA, and the target of 0.15 per cent for flows to the Least Developed Countries (LDCs), and that debt relief or emergency aid should not be provided at the expense of ODA. In this context, it is important to ensure an equitable distribution of resource flows among all developing countries.

11. The international community should address and urgently rectify all existing imbalances in the world economy to enable developing countries finance their development strategies. We emphasize that the reform of the international financial architecture (IFA) is long overdue and top priority should be given to measures by both the public and private sectors to prevent future crises. More meaningful and equitable participation, cooperation and consultation between developing and developed countries are required in the reform of the international financial system to ensure that the interests of all developing countries are safeguarded. While we welcome the advances made by national authorities in implementing reforms to strengthen their economic and financial systems as the best defence against future crises, we are concerned by the lack of progress in reforms in the international financial system to address the risks and challenges of highly volatile capital flows. In this regard, the G-15 has an important role in energizing the momentum for international financial reforms. The G-15 is ready to contribute to the international dialogue on this issue to ensure that the concerns and interests of the developing countries in general, and the G-15 in particular, are adequately protected. We welcome Malaysia's offer to convene a meeting of G-15 experts to examine the current work on the IFA issues in order to better articulate positions in various international fora on IFA reforms, including the International Conference on Financing for Development. We call upon our developed partners in the spirit of shared responsibility to ensure international financial stability by pursuing macroeconomic policies that do not have an adverse impact on international financial markets and by contributing positively and actively to the reform of the international financial system.

12. In this context, highly leveraged institutions should be monitored and regulated to safeguard countries from the destabilizing effects of their activities. While calling on the International Financial Institutions (IFIs) to provide realistic and flexible policy alternatives for all forms of emergency financing, they should acknowledge the rights of all countries to implement prudential measures aimed at ensuring financial stability. The reform should

therefore include a review and complete overhaul of the rules of the IFIs and regulatory agencies to ensure that their policies respond effectively and timely to the needs and specific circumstances of affected countries. Their provision of financial support should not result in shifting the burden from one group of developing countries to another. In the context of the continuing coordination and consultation between the G-15 and the G-24, we support the call of the latter at its Sixty Fourth Meeting in Prague, September 2000, for the International Monetary Fund (IMF) to focus, in collaboration with the World Bank, on systemic issues relating to the functioning of financial markets. We therefore welcome the recent progress by the IMF to develop an early warning system to help countries better assess the risks they face in international financial markets.

13. We remain concerned that the debt problem of developing countries continues to be a major obstacle to development. We note with interest the recent G7 Finance Ministers' Statement on the implementation of the Heavily Indebted Poor Countries' (HIPC) initiative. However, we reiterate our call for expeditious and additional actions by developed countries to enable all HIPC countries to qualify for debt and debt-service reduction as well as the write-off of unpayable debts of such countries, as appropriate. We urge the industrialized nations, as a demonstration of their commitment to poverty alleviation, to provide sufficient additional resources not linked to ODA and to accelerate their disbursements to ensure that all eligible countries benefit from debt relief. We also note with concern that the creditor countries and international financial institutions have so far failed to introduce arrangements for orderly and equitable workouts for commercial debt and the provision of adequate international liquidity, under appropriate terms and conditions, to countries facing serious debt-servicing difficulties. We therefore encourage all actors in the development process to find a durable solution to the debt overhang that continues to seriously constrain the ability of many low and middle-income developing countries to combat poverty, provide basic services in health and education, and to upgrade their social and physical infrastructures. We strongly believe debt relief measures should be developed and extended, to include these countries.

14. In recognition of the vital role of development finance to our development process and the growth of the world economy, our countries will deepen their cooperation and sustain their active participation in the preparatory process leading up to the International Conference on Financing for Development to be held in 2002 in Mexico. We urge all Heads of State and Government to participate in this Conference. It should address in a holistic manner the interrelated issues of trade, development and finance, including the urgent need to rectify asymmetries, biases, structural imbalances and systemic problems in the world economic and financial system through, inter alia, fair market access opportunities to products and services of interest to developing countries, enhanced debt relief measures, improved access to international financial flows and strengthening financial stability to enable developing countries generate resources for their development strategies. To this end, the Conference should aim at making globalization work for all peoples and achieving the internationally agreed development targets and the Millennium Summit goals through concrete measures and actions.

15. Taking into account the worrisome trends towards corruption and illegal transfer of funds, we note with concern that, in a number of developing countries, such transfers constitute a major hindrance to development. We, therefore, reiterate our support for the resolution on the Prevention of Corrupt Practices and Illegal Transfer of Funds adopted by the United Nations General Assembly at its 54th Session, and call for redoubled efforts to address, in all its ramifications, the illegal transfer of funds to ensure their repatriation to the countries

of origin.

16. We reaffirm that a rule-based, open, just, equitable and non-discriminatory multilateral trading system is a prerequisite for a sound and balanced international economy and the credibility of the multilateral trading system. In this context, greater inclusiveness, internal transparency and effective participation of all members in the decision making process in the World Trade Organization (WTO) should be enhanced in order to accommodate the legitimate requirements and priorities of developing countries. We stress that the development dimension should constitute an overarching theme in the WTO agenda. We have sustained our efforts to open our markets, strengthen our institutions and orient our economies to the challenges of the new global economy. We note, however, that tariff peaks, tariff escalations and non-tariff barriers, including new restrictions under the pretext of sanitary and phytosanitary measures, persisting in industrial countries on products of export interest to developing countries, have adversely impacted on the export performance of these products and growth in developing countries.

17. We are against the use of subsidies, anti-dumping and safeguards provisions as protectionist and trade distorting measures by developed countries. It is also regrettable to observe that while negotiations in the WTO have significantly led to the liberalization of trade in many sectors, equal attention has not been given to those sectors of particular importance to developing countries, such as textiles and agriculture. We urge the developed countries to demonstrate their true commitment to free trade by promoting substantial liberalization in agriculture and textiles and in other sectors and modes of supply of services of export interest to developing countries, in particular the movement of natural persons, as envisaged in the General Agreement on Trade in Services. Real progress in mandated negotiations and review are essential to the future of a fair and free trading system. We also stress the importance of commodities exports for the development of developing countries. In this regard, we call upon UNCTAD and other relevant organizations, as well as the Common Fund for Commodities, to identify measures aimed at promoting stability in prices of commodities and the transformation, value addition and diversification of such products in the countries in which they are produced. We also strongly reiterate that non-trade issues such as labour standards and environmental conditionalities should not be included in the WTO agenda.

18. We strongly stress the need for a meaningful solution to the Implementation Issues pertaining to the Uruguay Round Agreements and Decisions by the IV Ministerial Conference in Doha, Qatar, in accordance with the decision of the General Council of the WTO, and for the operationalization of the special and differential provisions in favour of developing countries as a binding commitment.

19. We urge developed countries to address development concerns of developing countries in international fora, and in particular, in the forthcoming Ministerial Conference of WTO. We emphasize the need to preserve a flexible policy space in which developing countries could pursue policies oriented to promote and sustain competitiveness and dynamism within their goods and services sectors.

20. In this context, the Trade-Related Intellectual Property Rights (TRIPS) Agreement should be implemented in a way that contributes to the promotion of technological innovation, transfer and dissemination of technology and social and economic welfare of developing countries.

21. In light of our commitment to the early accession of developing countries to the WTO, we reiterate the need for a transparent, non-discriminatory, streamlined and accelerated accession process that is in keeping with WTO rules and disciplines. They should be offered terms that do neither exceed nor are unrelated to the commitments of developing country and LDC members of WTO.

22. We further express our concern on the deterioration of preferential schemes, especially the imposition of additional conditionalities on developing countries under the Generalized System of Preferences (GSP). Accordingly, we call for the exclusion of conditionalities, particularly labour, health, safety and environmental standards in the implementation of GSP schemes. We also call upon the developed countries to provide necessary assistance to developing countries in dealing with their special difficulties in combating narcotic drug production and trafficking.

23. A dynamic multilateral trading system should be responsive to the needs of developing countries, including, small and vulnerable economies as well as LDCs. We call for the creation of a favourable international environment to facilitate their beneficial integration into the global trading system. In this regard, we take note of the recent initiative to grant improved market access to products originating from LDCs. We note further that measures should be taken to avoid possible negative impact from these initiatives on other developing countries.

24. We emphasize the important role of the United Nations Conference on Trade and Development (UNCTAD) in assisting developing countries in capacity building and in preparing them for future trade negotiations as well as ensuring that the development dimension is fully taken into account.

25. We agree to strengthen the cooperation among our countries in matters concerning multilateral trade negotiations, including timely consultations at the appropriate levels, in order to contribute meaningfully to the safeguarding of the interests of developing countries in these negotiations.

26. In welcoming the forthcoming Rio + 10, we underline that its priority should be the identification of concrete measures to ensure that the developed countries in particular, fulfill their commitments under Agenda 21 and the Rio Declaration principles. We recognize the need to strike a balance between the sustainable use of natural resources and environmental protection, in the understanding that such a balance constitutes the very basis of sustained economic growth and development. To this end, we reaffirm our commitment, according to our capacities and resources, to the goals and principles enunciated in Agenda 21 and the Rio Declaration. We note that the environmental consciousness and momentum generated by the United Nations Conference on Environment and Development (UNCED) held in 1992 in Rio de Janeiro have not been matched with adequate action by most industrialized countries, which bear responsibility for the greater share of environmental degradation, in failing to take any meaningful measures to reverse their unsustainable patterns of economic activity and consumption. Industrialized countries have not fulfilled their commitments to provide the necessary assistance, including new and additional financial resources, technical expertise and the transfer of environmentally friendly technology on favourable terms to developing countries. These factors are crucial to the implementation of national policies and multilateral environmental agreements as well as the improvement of the competitiveness of environmentally friendly goods and services of developing countries.

27. We reiterate therefore that global environmental problems should be addressed within the framework of the UNCED outcomes, including in particular, the recognition of the principle of common but differentiated responsibilities. To this end, we agree that Rio+10 should exclude any attempt to renegotiate the commitments undertaken at UNCED 1992 and the introduction of new issues, including environmental standards as conditionality for trade. We also acknowledge the need to ensure the active participation of our countries in the Rio + 10 preparatory process and consider it an opportune occasion to promote G-15 cooperation on environmental issues with a view to protecting our bio-diversity. It should also serve to enhance cooperation in the area of training for local and indigenous communities to improve their use of natural resources and explore ways for the protection of traditional knowledge, so as to upgrade their capacity to fully benefit there from. In light of the urgency for an effective international legal regime to control the impacts of climate change and to strengthen financial and technical cooperation between developed and developing countries in this field, we call for an early action by all Annex I Parties to operationalize the Kyoto Protocol. We reiterate the need to address institutional weaknesses and to develop options for strengthened international environmental governance in the broader context of sustained economic growth and development.

28. We note with apprehension the danger posed to public health and the environment arising from the use of Depleted Uranium (DU) ammunition in conflict situations. We therefore call on all parties in conflict situations to refrain from using these weapons.

29. We reaffirm our commitment to deepen and broaden South-South cooperation as a strategy for collective action among developing countries, including enhanced intra G-15 cooperation and consultations to facilitate a higher level of trade and investment flows between our countries, and with other developing countries. We remain convinced that South-South cooperation will enable our countries to take advantage of existing and potential complementarities in our economies and act as an anchor for our efforts towards restructuring international economic relations and the strengthening of the world economy. We stress the importance of sub-regional and regional economic arrangements among developing countries in order to achieve higher levels of development and to enhance South-South cooperation. In this respect, we reaffirm our support for the Global System of Trade Preferences (GSTP) process and call for early implementation of the results of the Second Round of the negotiations.

30. We underscore that G-15 projects and other cooperative endeavours need to be further promoted to strengthen cooperation among developing countries. We therefore acknowledge the importance of strengthening our national programmes and policies as well as recent efforts undertaken to enhance the implementation of G-15 projects, including the recognition of the need for forward looking and results-oriented approach, and the elevation of cooperation and networking among the private sector of G-15 member countries. In this context, we welcome the outcomes of the recent meetings of the G-15 Federation of Chambers of Commerce, Industry and Services (FCCIS), in New Delhi, India and Jakarta, Indonesia, in the year 2001; the 4th Meeting of National Focal Points on G-15 Project on Solar Energy Applications, in New Delhi, India; and the G-15 Expert Meeting on SMEs and the G-15 Expert Meeting on G-15 Capital Markets in Cairo, Egypt in the year 2001.

31. New proposals for cooperation among G-15 countries have been submitted during the XI Summit meetings. These relate to cooperation in different areas of common concern. We

emphasize the need for detailed project formulation in these areas so that these proposals can be thoroughly examined by G-15 members and taken up for possible implementation.

32. We acknowledge the vital role of public sector manpower in the delivery of public services to our populations and the provision of a conducive macroeconomic policy environment for enhancing economic activities. To this end, we undertake to work towards strengthening cooperation in human resource development among G-15 member countries, through a holistic and practical approach to sharing of resources, expertise and experiences in the area of public sector management.

33. We undertook an appraisal of the objectives, orientations and functioning of our Group and agreed on additional steps to fine-tune and revitalize the procedures and mechanisms for consultations and cooperation among our countries. We are therefore committed to improve the efficiency of the mechanisms of the Group, to further enhance its dynamism and effectiveness in attaining the full accomplishment of its goals and objectives.

34. We stress the necessity to give more impetus to South-South Cooperation in light of the increasing tendency of the prevailing global economic arrangements to serve the interest of the developed countries. We also recognize the need to identify practical measures to facilitate a higher level of trade, investment and technology flows among member countries of our Group, and we acknowledge the imperative for a sombre reflection and the revitalization of the G-15 to better attain its founding objective of serving as a catalyst of developing countries. To this end, and aiming to increase the efficiency of the G-15 in the implementation of its decisions, we agree to establish a Commission and invite the incoming Chairman of the G-15, the President of the Bolivarian Republic of Venezuela, to expeditiously elaborate on the matter and to carry out consultations and make recommendations to the other Heads of State and Government. The Ministers of Foreign Affairs of the G-15 will act on the implementation of the agreed recommendations.

35. We recognize that increasing interdependence among countries and the emergent challenges of globalization require effective North-South dialogue on international development cooperation towards alleviating the systemic problems confronting developing countries. The spirit of partnership and common but differentiated responsibilities should underpin international efforts to address the difficulties encountered by developing countries in the areas of international trade and finance, the transfer of technology as well as bridging the digital gap.

36. In light of these compelling realities, we reaffirm our commitment to promote a more meaningful North-South dialogue on international cooperation for development, including to upgrade the level of such dialogue. To this end, we note with keen interest, the pledge by the G-8 countries in the course of their Okinawa Summit in 2000, to engage in a new partnership with non-G-8 countries, particularly developing countries, in bringing the opportunities of the new century within reach of all. In this spirit, we continue to value the necessity for constructive dialogue with the G-8 in order to strengthen international cooperation for development.

37. We continue to recognize the threat posed by terrorism to the territorial integrity of countries, democratic institutions, economic growth and development as well as international peace and stability. Of particular concern is the growing linkage of terrorism to drug and arms trafficking and extremism. We condemn terrorism, irrespective of political, philosophical,

ideological, religious, ethnic, racial or any other consideration that may be invoked to justify terrorist acts. We also condemn states that aid, abet and directly support cross border and international terrorism including fund raising for terrorist activities. We call upon the international community to intensify its efforts to combat international terrorism. We also reiterate our resolve to strengthen the international consensus and legal instruments against terrorism, including the urgent conclusion and effective implementation of a Comprehensive Convention on International Terrorism. We welcome the United Nations' decision to convene, in July 2001, a Conference on the Illicit Trade in Small Arms and Light Weapons in all its Aspects. This illicit trade is linked to greater casualties in conflict situations, organized crime, terrorism and narco-trafficking. We, urge all States to participate in this important Conference to seek collectively to devise effective measures to address this grave problem.

38. In welcoming Colombia and the Islamic Republic of Iran as new members of the Group of Fifteen, we express the conviction that both countries will make significant contributions towards furthering the attainment of the objectives of the Group.

39. We express our deepest appreciation to Indonesia for its able and effective leadership of our Group during its Chairmanship. We thank the people and the Government of the Republic of Indonesia for their warm hospitality and the excellent arrangements provided for the successful holding of the Eleventh Summit of the Group of Fifteen.

40. We welcome with appreciation the generous offers by the governments of Venezuela to host the Twelfth Summit of the G-15 in the year 2002 and of Algeria to host the Thirteenth Summit in the year 2003. We look forward to our next meeting in Caracas and subsequently in Algiers.
