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President: Mr. Ping . . . . (Gabon)

The meeting was called to order at 3.10 p.m.

Agenda item 84 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development: High-level Dialogue of the General Assembly on Financing for Development

Reports of the Secretary-General (A/59/800 and A/59/822)

Notes by the Secretary-General (A/59/826 and A/59/850)

Summary by the President of the Economic and Social Council (A/59/823)

Note by the Secretariat (A/59/855)

Conference room paper (A/59/CRP.6)

The President (*spoke in French*): I call on His Excellency Datuk Mustapa Mohamed, Minister in the Prime Minister Department of Malaysia.

Mr. Mohamed (Malaysia): I note that there is an air of optimism during this second High-level Dialogue on Financing for Development. I also note the progress made since the Monterrey Consensus in moving forward towards meeting our development goals.

In particular, the decision on debt cancellation by the G8 and the achievement on the part of five countries of meeting the 0.7 per cent target of gross national income for official development assistance are commendable. There has been enhanced commitment on the part of the Member countries to implementing and achieving the Millennium Development Goals since their adoption in 2000. In all this, the United Nations has played an important role. The United Nations remains relevant and many countries look to it to play its role in conducting regular reviews in meeting the Millennium Development Goals.

My country would like to see the United Nations continue to play an active role in fostering that global partnership for development and in coordinating global efforts to eliminate poverty and promote human development. As we welcome the initiatives taken by the United Nations and donor countries, developing countries need to have the will and courage to build their own capacities. Our own initiatives on good governance, the elimination of corruption, transparency and sound institutions play an important role in meeting our development goals. There is no substitute for all that.

Two years after the Monterrey Summit, it remains clear that the lack of financial resources has stymied the efforts of many developing countries to attain their Millennium Development Goal targets. This High-level Dialogue emphasizes the importance of maintaining and strengthening the partnership between developed and developing countries in achieving the Millennium Development Goals.

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My Government views poverty as a very serious obstacle to human development. In the past 35 years, Malaysia's poverty rate has declined substantially. About half of our households lived below the poverty line in 1970. That has fallen to about 5 per cent at present. Although we have already achieved the Millennium Development Goals in respect of poverty — indeed, we have already achieved all but one of the broad Millennium Development Goal targets — we have decided that there shall be no more hard-core poverty by the end of this decade. That is a target we have promised our people and we will put all our energies and resources into meeting that goal.

For the developing countries, an active and robust private sector can contribute to sustainable growth and development. Since the mid-1980s, my Government has undertaken concerted efforts to deregulate and liberalize the economy. The privatization policy has also been pursued with vigour. The Malaysia Incorporated Concept was introduced to forge a closer relationship between the public and private sectors. An increasingly private-sector-led economy has expanded the nation's growth frontier, enhanced the nation's ability to adapt and undertake change, improved efficiency and productivity at a faster rate, and improved national competitiveness at large.

The challenges facing developing countries in integrating themselves into the international trading system lie in their ability to fully and actively participate in the multilateral trading system. In that regard, Malaysia would like to see the World Trade Organization adhere to trade-related issues that have a legitimate place within a system of multilateral trade rules. Cross-cutting conditionalities, such as the tendency to link market access with aid programmes and the linking of labour standards, human rights and environment with trade sanctions in the name of coherence must be rejected. It is imperative that the imbalances and asymmetries — which include the lack of implementation of existing obligations by developed countries in the area of textiles and agriculture; lack of market access; and the need to effectively operationalize the provisions for special and differential treatment — be given high priority.

Many developing economies, including Malaysia's, have become increasingly integrated into the global economy. From our own experience, we have realized the need to strengthen the country's resilience to external shocks. In that connection, we have put in place prudent banking and financial sector regulations. In addition, we also see the need for countries to be given greater flexibility to introduce innovative measures that can mitigate against damaging effects on their economies. The international financial institutions should do more to effectively address the core factors that can cause instability. Efforts that are already under way in the international financial institutions must be accelerated with greater urgency to avert future crises.

In addition to poverty alleviation, it is important also to ensure that adequate infrastructure be provided to facilitate development. However, the cost of building infrastructure is very high and most poor countries cannot afford it. Current sources of financing are inadequate. Therefore, there is a need to seriously consider the setting-up of a dedicated pool of international financing for the development of infrastructure in developing countries.

Efforts aimed at mitigating the shortfalls in financing for development, such as through South-South cooperation, must be strongly supported. South-South cooperation has indeed become an effective approach in strengthening partnership and collective self-reliance among developing countries through the transfer of appropriate technology and the sharing of knowledge and experience to address such development issues as poverty, income distribution, health, education, trade and investment. My country is fully committed to assisting other developing countries through the sharing of experience in development and poverty eradication, albeit on a modest scale, through our own bilateral cooperation programme, the Malaysian Technical Cooperation Programme.

Malaysia also believes that mobilizing international private capital flows can contribute to economic growth and prosperity. In that respect, judicious management of private flows is necessary to ensure that incipient domestic industries and businesses be given adequate time to mature and do not face unfair competition. In addition, foreign investors should also initiate and nurture the development of host-country producers. Local small and medium-scale enterprises should link themselves to and establish meaningful relationships with multinational corporations so that they can have a share of the benefits by providing necessary and quality inputs and components.

Notwithstanding our achievements and the commitments made thus far, there is a need to ensure that the progress achieved can be sustained. A conducive international economic environment is also important for the achievement of the Millennium Development Goals. It is our hope that the developed countries will coordinate their economic policies in a manner that will create a stable macroeconomic environment and that the benefits of growth will trickle down to the developing countries. The threat to economic stability arising from volatile capital flows, global imbalances and high oil prices have to be addressed.

This High-level Dialogue on Financing for Development should strengthen and renew our resolve to achieve the Millennium Development Goal targets to eradicate poverty and bring sustainable development and prosperity to all mankind. It is my hope that, when the High-level Plenary Meeting is convened in September, not only can we expect a renewed commitment to ending poverty and achieving the Millennium Development Goals, but that there will be more firm commitments on the part of donor countries on official development assistance and trade. The developing countries must do their part. Development is the responsibility of everyone. Let us pray that our goal of providing a decent life for everyone will be a reality. We continue to place a lot of hope in the United Nations system's facilitating that global partnership for development and human progress.

The President (*spoke in French*): I call on His Excellency Mr. Berhane Abrehe, Minister of Finance of Eritrea.

Mr. Abrehe (Eritrea): The Millennium Development Goals represent a consensus among nations, including my own, on a core agenda for development. The central objective of the Millennium Development Goals is the eradication or reduction of poverty, one of the most crucial issues of humanity of our time. In the Goals, there is the implicit recognition that not only are extreme poverty, deprivation and marginalization of peoples anywhere morally indefensible, but that they also contribute to conflict, human right abuses and global instability.

Far too many sub-Saharan African counties are in or just coming out of ruinous conflict of one sort or another. Eritrea is no stranger to that reality. At liberation, in 1991, it inherited a devastated economy and infrastructure, corrupted and ineffective institutions, a large exiled population and an empty treasury.

The Millennium Development Goals (MDGs) represent a global cause in the framework of which developed and developing countries entered into a new partnership to, inter alia, halve extreme poverty and hunger by 2015. One of the pillars of that new partnership is the Monterrey Consensus. Allow me now to briefly report on the status of the MDGs in Eritrea.

We began to write our report in April 2004, and it is in the process of completion as we speak. The Government has worked closely with the United Nations country team to produce the report. I am happy to report that Eritrea is projected to achieve most of the targets by 2015. Yet we realize that that is no cause for celebration, for three reasons. First, Eritrea is off-track in two crucial areas: the eradication of extreme poverty and the achievement of universal primary education. Secondly, the general consensus is that, even if they were to be fully achieved, the MDGs represent only the minimum benchmarks rather than the culmination of full development itself. Thirdly, Eritrea's road map to 2015 was prepared on the basis of some crucial assumptions, including the resolution of the no-war-no-peace situation prevailing in the country, the absence of drought, robust performance of the economy and the fulfilment of the financial commitments of our development partners implicit in the Monterrey Consensus.

We believe that Eritrea's status vis-à-vis the MDGs points to the fact that, even with modest resources, countries can go a long way in achieving the Goals if they have the right policies and if they are committed throughout the Government to the ideals of national development.

In strategic terms, the Government of Eritrea has adopted the following principles to implement poverty-eradication policies: inducing widely-shared sustained economic growth by establishing a competitive environment in which efficient, export-oriented private firms thrive; raising the skill levels and well being of the Eritrean people by investing in education, capacity- and institution-building, nutrition, health care and water and sanitation systems; paying special attention to rural poverty eradication by investing in rural infrastructure, agriculture and livestock and pasture management; adhering to a zero-tolerance policy with regard to corruption in both public- and private-sector management; and establishing sound governance.

My Government's policies and strategies are paying dividends. Since 1991, the year of liberation, we have been reconstructing the war-devastated transport and communications services sectors of our economy. The legal, social and institutional framework for the achievement of rapid economic, social, cultural and political development has been established. In line with its policy of bridging the gap between urban and rural sectors, the Government has invested heavily in rural schools, health systems, water and sanitary facilities and rural roads. The private sector has invested in the services, construction and resources-based industries. As a result, Eritrea set out on a promising path of economic progress. For the period 1992 to 1997, the economy grew by an annual average of 7.4 per cent and inflation was kept at below 5 per cent. Eritrea has also accumulated reserves that cover seven months worth of imports. Moreover, rural Eritreans' access to crucial social services has come closer to the level enjoyed by urban Eritreans.

However, despite a promising start in economic performance and overall development during the immediate post-independence period, my country today faces serious challenges on many fronts. Why Eritrea is facing those challenges is not a mystery. For three years, from 1998 to 2000, the country had to defend its boarders and ensure its sovereignty against repeated large-scale invasions by Ethiopia. Perhaps even more damaging than the war itself are Ethiopia's refusal to abide by the Boundary Commission's final and binding decision and the international community's unwillingness so far to enforce that decision. Like many other countries in the continent, in the last five years we have experienced serious drought in three years and rainfall shortfalls in two. Eritrea is also experiencing shock as a result of the prevailing steep oil price increases.

The purpose of my sharing those realities is to ask our development partners to appreciate our situation and the priorities that emanate from them. As least developed countries are striving to achieve the MDGs, our partners in the developed world tend to operate under the influence of political considerations when deciding on financing for development. Even though the recent announcement on cancelling the debts of 18 heavily indebted poor countries is welcome news, the decision, nevertheless raises questions about objectivity and fairness. Why does the debt-cancellation programme not include countries that are most vulnerable by any standard of vulnerability?

In conclusion, I would like to reassure the Assembly that Eritrea is committed to taking the steps necessary to achieve the MDGs. In that endeavour, Eritrea asks for the commitment of development partners not only to provide financing for development but also, even more important, to secure peace and stability in our region. Peace, stability and security have a crucial bearing on the achievement of the Millennium Development Goals and of development in general.

My Government once again calls upon the international community to press the Government of Ethiopia to implement without further delay the final and binding ruling of the Eritrea-Ethiopia Boundary Commission announced on 13 April 2002. Ethiopia must fulfil its obligation under the treaty it signed to resolve the border conflict with its neighbour, Eritrea.

The President (*spoke in French*): I now give the floor to His Excellency the Honourable Juma Ngasongwa, MP, Minister for Industry and Trade of the United Republic of Tanzania.

Mr. Ngasongwa (United Republic of Tanzania): My delegation would like to associate itself with the statement made by the Minister of State of Jamaica on behalf of the Group of 77 and China.

The Monterrey Conference was convened to confront the challenges of financing for development, as well as to mobilize and increase the effective use of financial resources in order to achieve the outcomes of major United Nations conferences and summits. Among other things, that would facilitate the eradication of poverty, improve social conditions, protect the environment and attain sustained economic growth and sustainable development. Monterrey forged a new global partnership among developed and developing countries, the private sector and civil society, which was meant to turn our commitments into action.

With regard to the mobilization of domestic resources, my Government bas continued to implement domestic policies and to rationalize revenue collection to improve the fiscal management of public resources in social expenditures and to encourage public- and private-sector development, which will engender long-term economic growth, the creation of employment and poverty eradication. We have introduced the necessary reforms and put in place new institutions, systems and processes to establish the strategy of democratic good governance contained in the national framework for governance. We have also established a Commission for Human Rights and Good Governance that is an independent body with a broad mandate to promote and protect human rights and to set standards of good governance in line with the Paris Principles.

With regard to corruption, we have embarked upon a systematic effort to combat all aspects of corruption through the national anti-corruption strategy and action plan, in the belief that there will thus be greater scope for generating local resources for public needs.

As a result of those reforms and of other macro-economic reforms — such as the harmonization and simplification of tax policies, effective tax administration and management capacity — Government revenues increased from 448.4 billion Tanzanian shillings in the period 1995-1996 to 1,740 billion Tanzanian shillings in the 2004-2005 period. That represents a more than four fold increase over a 10-year period.

The Government has implemented a wide range of economic policy reforms and undertaken actions centred on the consolidation of fiscal policy, the maintenance of prudent monetary policy and the promotion of an enabling environment for private sector development and direct foreign investment. In addition, we have removed all restrictions on trade, liberalized the foreign exchange markets and opened up our domestic markets to international competition.

The Secretary-General is on record as having challenged the developing countries facing extreme poverty to adopt and begin to implement, not later that 2006, national development strategies bold enough to meet the Millennium Development Goals by 2015. Tanzania has risen to the challenge.

We have not only adopted such ambitions strategies, but we are also on our way to meeting some of the Millennium Development Goal targets well ahead of the timetable. Universal primary education is one of those accomplishments. In 2000, we adopted a Poverty Reduction Strategy Paper (PRSP), which was concluded in 2004. Building on the PRSP, in 2005 the Government adopted the National Strategy for Growth and Reduction of Poverty for a period of five years to 2010. That strategy is in line with Tanzania's development vision — Vision 2025 — for higher and shared growth; higher quality livelihoods; peace, stability and unity; good governance; high-quality education; and international competitiveness. The strategy is committed to achieving the Millennium Development Goals, targeting the reduction of poverty and the combating of hunger, disease, illiteracy, environmental degradation and discrimination against women. In view of those facts, I am convinced that Tanzania qualifies for the rapid scale-up of official development assistance (ODA) in 2005, as proposed in the reports of the Secretary-General and of Professor Jeffrey Sachs.

It is only through such wider partnerships that the unity of purpose and action forged in Monterrey will be meaningful. I would like to highlight a few issues that need serious consideration and concerted action. First, the long-overdue ODA target of 0.7 per cent of the gross national product of developed countries — 0.15 to 0.2 per cent for the least developed countries — ought now to be fully implemented. We applaud the State of Qatar for its announcement, made at the recently concluded Second South Summit, that it would provide 0.7 per cent of Qatar's gross national product as development assistance from 2006, and we call on other developing countries that are in a position to do so to join Qatar in that endeavour.

Secondly, the provision of the additional $50 billion required annually by developing countries for the achievement of the Millennium Development Goals must be fulfilled.

Thirdly, the conclusion of the Doha development round of trade negotiations is imperative. The World Trade Organization ministerial meeting to be held in Hong Kong, China, in December 2005 should strive to conclude that round by 2006, while placing development at the core of the negotiations.

Fourthly, the elimination of all trade barriers, including subsidies, high-tariff peaks and high-tariff escalations, as well as environment, labour and health standards as new forms of trade barriers, will create a level playing field for the developing and developed countries in the multilateral trading system.

Fifthly, market access for developing countries, as well as quota-free and duty-free market access for all products from the least developed countries, need to be assured.

Last but not least, the developing countries need assistance to overcome supply-side constraints, increase productive capacities, add value to their products, develop institutional and human capacity-building, stabilize commodity prices, mount the diversification of their economies and build infrastructure to attract foreign direct investment.

In this regard, the United Republic of Tanzania appeals to the international community to assist it in the implementation of its National Strategy for Growth and Reduction of Poverty, thus leading to the achievement of the Millennium Development Goals and other internationally agreed development goals.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Yendja Yentchabre, Minister for Development and Town and Country Planning of Togo.

Mr. Yentchabre (Togo) (*spoke in French*): I should like to join other speakers in conveying to you, Mr. President, on behalf of the delegation of Togo, our sincere and hearty congratulations on the great skill with which you are conducting the business of these important meetings on financing for development.

Three years ago, in March 2002, at Monterrey, Mexico, the International Conference on Financing for Development concluded with the adoption of the Monterrey Consensus on Financing for Development. Togo supports the Consensus as an initiative that seeks to mobilize the resources necessary for achieving the Millennium Development Goals.

Our country, Togo, has embarked on a process that should eventually lead to the establishment of structures and mechanisms necessary for the mobilization of financial support from our development partners. Accordingly, a national committee to follow up the Millennium Development Goals and an office charged with drafting and implementing a Poverty Reduction Strategy Paper (PRSP) have been set up. The PRSP process is now under way: a seminar on methodology was held to chart the course of the process, with all stakeholders taking part, following which seven thematic groups considered the main aspects of development and poverty reduction. That entire process led to an interim draft PRSP, which went through a validation procedure before being adopted by the Government. The interim document was transmitted to the International Monetary Fund and the World Bank for a joint assessment with a view to initiating negotiations leading to the formulation of programmes necessary to bolster financing initiatives.

During the same period, the Government began to draft its first Millennium Development Goals follow-up report, through a similar participative process. That report was endorsed and adopted by the Government, and it basically concluded that only three of the eight Goals had potential for implementation: those relating to primary education for all, combating HIV/AIDS and reducing maternal mortality rates.

Those two processes make clear our Government’s determination resolutely to work within the Monterrey Consensus.

Notwithstanding those efforts, thus far my country has not benefited from the fulfilment of the commitments entered into at Monterrey. Indeed, the suspension of cooperation with the European Union is leading to a depletion of the resources that are so necessary for increasing investment in the spirit of Monterrey, since domestic resources are barely enough to cover current priority expenditure.

Furthermore, the absence of cooperation with the Bretton Woods institutions — largely as a result of the suspension of cooperation with the European Union — has made it impossible to resolve the thorny question of external debt, in particular through the Heavily Indebted Poor Countries Debt (HIPC) Initiative. The drastic reduction in external financial assistance has led to a further deterioration in the living conditions of the people of our country, which is already one of the least developed countries, thus limiting our ability to combat poverty.

Given this situation, the World Bank, the United Nations Development Programme (UNDP) and the Government have begun to seek the re-engagement of the international community in the context of the Low-Income Countries Under Stress (LICUS) initiative.

Following the presidential elections, won by His Excellency Mr. Faure Essozimna Gnassingbé, and the formation of a broad-based, unified Government, the political situation of my country is now stable. Togo is resolutely committed to democratize its institutions. That is why I hope that the re-engagement process undertaken by the Government with the World Bank and the UNDP can be revitalized as soon as possible.

Furthermore, this High-level Dialogue gives me a unique opportunity to make an urgent appeal to the entire international community to support our efforts to attain the Millennium Development Goals. Accordingly, forgiving our country's debt, something from which other countries have already benefited, would be a crucial source of additional resources, so that we can continue our economic recovery.

Domestically, our country is pursuing its policy of improving the macroeconomic framework, particularly by improving public finances and the legal and judicial environment, in order to create a favourable framework for private investment, which is considered to be the driving force for development.

I would just like finally to express the hope that the High-level Dialogue, in which we are happy to participate, may lead to conclusions benefiting all stakeholders, and in particular, taking account of the difficult economic conditions that prevail in least developed countries such as my own.

The President (*spoke in French*): I now give the floor to Her Excellency the Honourable Neneh Macdouall-Gaye, Secretary of State for Trade, Industry and Employment of the Gambia.

Mrs. Macdouall-Gaye (Gambia): The subject of this High-level Dialogue — financing for development — is one that lies at the very core of the preoccupations of every developing country. Although collectively we now have a much clearer understanding of the global requirements for the fight against poverty and underdevelopment, progress towards meeting the targets and goals we set for ourselves in the Millennium Declaration and the Monterrey Consensus is constrained by limited resources. It is certain that the global resources exist to ensure that we achieve the Millennium Development Goals (MDGs) by 2015, but we must commit them now, without any further delay.

Africa has special needs, and special responses are required to address them. The New Partnership for Africa's Development (NEPAD) has laid down a comprehensive regional strategy for addressing the continent's development challenges, as well as indicating what it would take to implement them.

At the national level, most African countries have done the same in respect of their development strategies and have articulated their needs in the Poverty Reduction Strategy Papers that have, in many cases, become their framework for development cooperation with the international community.

Internationally, regionally and nationally, therefore, the context for financing Africa's development has been clearly and properly defined. What is left now is for all concerned to demonstrate the required will and commitment to implement Africa's poverty reduction and socio-economic development strategies.

In order to achieve the Millennium Development Goals, we need to see a substantial increase in the volume and flow of official development assistance (ODA). Meeting the agreed ODA target, therefore, becomes crucial to the attainment of the MDGs. But it is equally important to improve the quality of ODA and to ensure that ODA is more consciously designed to meet the needs and objectives of the recipients, rather than those of donors, as has often hitherto been the case.

Hopefully, if the proposal to establish an International Finance Facility is supported, we may be on our way towards fulfilling this need, so that, ultimately, development assistance becomes depoliticized, more neutral and freer of crippling conditionalities.

Initiatives such as the Paris Declaration on Aid Effectiveness are a step in the right direction. What we also need to see from now on are predictable and sufficient increases in the levels of ODA to developing countries and to those funds and programmes that help secure development plans and projects on their behalf.

The recent decision by the countries of the Group of Eight to cancel the debt of 18 heavily indebted poor countries, most of which are located in Africa, is most welcome and may be a sign of greater things to come. It is our hope that this gesture will very soon be extended to other countries and that it will lead to 100 per cent cancellation of the debt of all African countries, including the Gambia.

My delegation welcomes other such initiatives. We congratulate those countries that have already reached or surpassed the target of 0.7 per cent of gross national income as overseas development assistance to developing countries: Norway, the Netherlands, Luxembourg and Sweden. We commend the European

Union's commitment to the target and the timing it has set for meeting it. Japan has announced its intention to double its ODA to Africa in the next three years. That also is welcome news.

There have been similar initiatives from outside our traditional donor community, with Qatar announcing recently that, like the others, it too would commit 0.7 per cent of its gross national income to ODA, with between 0.15 and 0.2 per cent being assigned to the least developed countries. That is a most worthy gesture of solidarity that should be emulated by other countries of the South with similar standing. Perhaps those countries could go even further and commit themselves to a total cancellation of the debt owed to them by the least developed countries.

Over and above ODA, trade is the primary source of development financing and an important engine of growth and development. The workings of the multilateral trading system can enhance or frustrate capacity to generate development financial resources. Through a well-functioning rules-based mechanism, it must be made to respond to the development needs of the developed countries. Commodity-dependent countries, such as the Gambia, would like to see the total elimination of trade-distorting domestic subsidies in agriculture, as well as the removal of all tariff and non-tariff barriers, which only constrict our export potential and depress our export revenues.

We would also like to see the perennial problem of commodity price fluctuations given much greater attention. In this regard, my delegation calls upon the World Trade Organization Doha round to ensure that those concerns are taken fully into consideration and properly addressed, and we urge participants to conclude the multilateral trade negotiations to the mutual satisfaction of all and without any undue delay.

My delegation fully supports the initiatives that have been taken to identify innovative sources of financing for development. The proposed global tax for development deserves serious consideration. There is also considerable merit in the idea of beginning to consider what value to place on the many thousands of professional and skilled personnel from developing countries who are being enticed to the developed countries in even greater numbers and how to derive adequate and just compensation from receiving countries for the loss of such vital inputs into the development process of our countries.

The Gambia is fully committed to the Millennium Development Goals. They are the benchmark for all our current development interventions in all sectors of our economy. We are among the world's least developed countries, with severe resource constraints, but we have learned to utilize our meagre resources wisely, productively and for the benefit of our people. It is in this way that we have been able to bring about dramatic improvement in the important areas of education, health, welfare, sanitation and agriculture, on which the majority of our people rely.

Thus, for some for some of the MDGs, notably Goal 2, achieving universal primary education, and Goal 3, promoting gender equality in education, not only are we on target, but we are actually well ahead. The same applies to some of the targets in other areas I have just mentioned.

In his remarks prepared for the general debate at the fifty-ninth session of the General Assembly last year, His Excellency the President of the Republic of the Gambia noted that

> "An examination of the performance of indicators in the UNDP Human Development Reports from 1994 to 2004, as well as UNDP's assessment of the Gambia's rate of implementation of the MDGs, shows that, despite the serious shortage of resources, my Government has, by and large, delivered on the promises it made to the Gambian people and to the international community. This shows that with vision, determination and seriousness of purpose, and with the goodwill of partners in the international community, great things can be done, even with little, to transform the lives of people".

I should like to conclude by observing that improving development financing for small least developed countries like the Gambia is crucial to our chances of attaining the Millennium Development Goals and bringing about sustainable development for our peoples. For us, it is a sacred responsibility. We hope that our partners in development also cede us a moral obligation on their part and a demonstration of solidarity with the rest of mankind.

The President (*spoke in French*): I now call on His Excellency Mr. Rafael Correa, Minister of the Economy and Finance of Ecuador.

Mr. Correa (Ecuador) (*spoke in Spanish*): One of the principles underpinning the Monterrey Consensus was the recognition that it is the primary responsibility of each country to define and implement a national development strategy. That is why the Government of Ecuador has been very clear in pointing out that the formulation of economic programmes is an absolutely sovereign decision.

That having been said, it is also true that international economic relations impose limits and, at the same time, offer development opportunities for every country. The Monterrey Consensus recognizes both aspects and provides a suitable framework for taking advantage of such opportunities. Implementation of the Consensus must therefore be a concern and a constant demand of all developing countries. Unfortunately, targets were not established which is why the various commitments set out in the Consensus lose force in their implementation. However, the Government of Ecuador is working on the main measures set out in the Consensus and wishes to share some of its concerns in that regard.

The public policies implemented in Ecuador in recent years have not been able to mobilize national financial resources for development. A large share of nationally generated resources, rather than being reinvested in domestic production, have left the country for reasons such as the high cost of external debt servicing, the dependent nature of the means of production, the conditions we face in terms of international trade, the financial crisis we have experienced in recent years and the lack of a truly focused vision of national development. What is certain is that the real economy, which creates added value and employment, has remained in neglect. To that we must add governmental decisions, demanded by foreign entities, that have immobilized national savings and even promoted financial investment abroad, as in the case of the Fund for Stabilization, Social and Productive Investment and Public Debt Reduction (FEIREP).

We have recently undertaken measures to correct that situation, because it is inconceivable that a country that requires foreign financing cannot prudently use its own savings to rebuild its means of production and reduce poverty — urgent measures without which we will never be able to achieve growth or sufficient social cohesion to have sustainable development.

In mobilizing international resources for development, Ecuador has had mixed results. Foreign investment, apart from investment in the oil sector, has not arrived as it has in neighbouring countries, possibly — as some analysts have pointed out — because of the lack of an environment of social, political and legal stability. But I wonder: can such an environment be created when there is no social component in economic policy and when we have been experiencing a situation of growing inequality and poverty? We are convinced that social investment is both a moral obligation and a condition for economic efficiency, because it is essential for the creation of social capital and, with it, a genuine national development project.

Remittances from Ecuadorian emigrants have been a generous source of funds that has made a decisive contribution to economic growth in recent years. However, it has been extremely costly in social terms, because we have lost a significant number of our young people owing to our inability to build an economy in which the creation of good jobs is a fundamental goal.

International trade must still develop significantly so that developing countries can take proper advantage of it. Ecuador’s trade balance — if one excludes our petroleum exports — shows a persistent and growing deficit. We have problems related to competitiveness, but we are also subjected to strong restrictions by developed countries with regard to allowing our main export products to enter their markets. It is therefore essential that trade liberalization be effective and real on the part of developed countries, as proposed in the Monterrey Consensus. However, to achieve development for all of humanity, we need to go beyond the mere logic of the market and competition and embrace a logic of cooperation and justice in terms of a common future.

Regional integration, another Consensus decision, continues to be a priority for our country. We are now in the process of building a South American integration area that will incorporate the principle of preferential treatment for relatively less-developed countries, not only with regard to trade, but also in the financial and economic areas. Among the concrete aspects of integration, we will have to include regional financial bodies that, by building up the region’s considerable reserves — which, paradoxically, have been deposited abroad — will eliminate our countries’ dependence on extra-regional financing, which is highly subject to conditions and even destructive. Likewise, integration will have to take account of aspects, such as energy self-sufficiency, that are fundamental for the region's sustainable development and take advantage of complementarities to eliminate absurd practices such as exporting crude oil while simultaneously importing derivatives.

Finally, the instability caused by the mobility of capital in a globalized world is the greatest vulnerability of our economies. Here again, only unity creates strength. The obstacles to a South American monetary union are still enormous, but — as the European Union has clearly demonstrated — what we need, more than economic jargon, is political will and historic vision on the part of our leaders. The need for genuine regional integration is so obvious and urgent for our future that we will probably have to explain to our children and grandchildren not why we united, but simply why it took us so long to do so.

We believe that members of the international community — particularly the countries that control the international financial organizations — have the obligation to be more transparent and democratic in their decision-making. Only thus will we have truly cooperative bodies that support the economic development of their members. In the process of implementing the Consensus, that should be one of the very attainable goals.

Finally, with respect to external debt, we believe that the efforts of the main developed countries to alleviate the burden imposed on our societies have been very limited. Public debt will be reduced not only if underdeveloped countries maintain conditions of fiscal discipline — which the majority of us already have — but also, and in particular, if the international community creates trade, economic and financial conditions that not only permit but promote development in our countries. From that perspective, the most important element is undoubtedly a new financial architecture crafted not only in terms of international financial capital but also in terms of justice and ethics, in which payment for human work is not conditioned on capital output. It is urgent that we create an international debt tribunal, an impartial third party that will determine the capacity and mode of payment of the highly indebted countries. In short, life comes before debt.

The President (*spoke in French*): I call on His Excellency The Honourable James Smith, Minister of Finance of the Bahamas.

Mr. Smith (Bahamas): At the outset, the Bahamas would like to endorse the statement made by Mr. Delano Franklyn of Jamaica on behalf of the Group of 77 and China.

The Bahamas welcomes the opportunity to participate in this year's High-level Dialogue because the issue of development is one that we believe should figure prominently in our approach to the High-level Plenary Meeting of the General Assembly in September. In that connection, the Bahamas applauds your efforts, Sir, and those of your facilitators in preparing the draft outcome document for the September summit. We acknowledge in particular the inclusion of many issues critical to developing countries.

I would like to take this opportunity to thank the Secretary-General and the President of the Economic and Social Council for the documents prepared for this meeting. They indicate, in no uncertain terms, the work that has to be done and the resources to be mobilized by developing and developed countries alike in support of development. Over the past few years, we have made a concerted effort to enhance our economic and social infrastructure. We have improved our strategic policy frameworks and national accounting systems, which in turn enable the creation of innovative structures in support of entrepreneurship and private sector development. Above all, we have enlarged and improved our legislative regime in the fight against corruption and money-laundering.

The Bahamas has also embraced the opportunities presented by globalization by making the necessary investments in human and physical capital to enable an innovative and productive economy. We continue, however, to face daunting challenges posed by our smallness and its attendant vulnerabilities. Furthermore, our attempts to build resilience are constrained by global governance and systemic imbalances, which frustrate meaningful integration into the global economy. In that regard, the Bahamas reiterates the need for further consideration of those issues by all developing countries within the framework of the Monterrey process.

The issue of reform of global economic governance to strengthen the voice and participation of developing countries in international economic decision-making and standard-setting is of critical importance to the Bahamas. There is an urgent need for realistic proposals to ensure the effective and permanent representation of developing countries, particularly small developing countries, in international economic, trade and financial institutions, including the Bretton Woods institutions and the World Trade Organisation (WTO), as well as such other bodies as the Financial Stability Forum, the Financial Action Task Force and the Basel Committee.

The Bahamas acknowledges, with optimism, the growing momentum to introduce balance and evenness into the processes that govern several international institutions. We welcome existing initiatives, such as the work programme on International Monetary Fund quotas and the work of the WTO to make the negotiation processes more inclusive and transparent. In addition, special reference must be made to positive developments in the area of international cooperation in tax matters. I speak specifically of the proposed expansion of the Organisation for Economic Cooperation and Development (OECD) Global Forum to involve all significant financial centres of the world; the current assessment of information-sharing and transparency practices in all OECD and other significant financial centres to determine exactly how level the playing field is in those areas; and, most importantly, the establishment of the Committee of Experts on International Cooperation in Tax Matters within the Economic and Social Council.

The establishment of that Committee ensures that the interests of all Member States, but particularly those of the small States with different tax regimes, will be factored into discussions and recommendations aimed at adopting mutually agreed standards that do not unduly favour the wealthy nations at the expense of meaningful development in non-OECD member countries. We look forward to the finalization of the composition and structure of the Committee and to a more inclusive approach that examines all forms of tax regimes within the United Nations membership.

Regrettably, there has been less positive development in other outstanding bodies, most notably the Financial Action Task Force. The Task Force continues to take unilateral actions *in camera* without providing opportunities for condemned jurisdictions to face their accusers and defend their activities. As a result, I am obliged to ask: Where is the fairness and transparency in such a process? It is for that reason that the Bahamas values the Monterrey process and the mandate to address systemic issues such as those. In that context, we urge a greater role for the United Nations in all aspects of global standard-setting and assessment. The case of the small developing country must be heard in an objective and open forum. Our continued sustainable development depends on that fundamental entitlement, and we look forward to dialogue in that regard.

The President (*spoke in French*): I call on His Excellency Mr. Manuel Chang, Minister of Finance of Mozambique.

Mr. Chang (Mozambique): I have today a unique opportunity to reaffirm our engagement in partnerships built upon in Monterrey to face the development changes of the twenty-first century.

Governments and multilateral trade and financial institutions have gathered here today under the United Nations umbrella must renew their global commitment to achieving concrete results in combating poverty, thus contributing to the success of the High-level Plenary Meeting to be held in September 2005 here in New York.

Indeed, in Monterrey, we committed ourselves to adopting and implementing national development strategies in countries confronted with extreme poverty, responding to their needs and priorities and investing in human resources in order to facilitate the mobilization of domestic resources. Efforts in that direction have been broadly witnessed since then and, as a result, most developing countries and countries with economies in transition have made significant progress in that regard. It is therefore important to ensure that the developing countries, in particular those with special needs, have access to the additional financial support required to enable them to pursue their development process towards the attainment of the Millennium Development Goals.

The Secretary-General has called for strong international support and substantial official development assistance in the form of grants and in a predictable and timely manner to the least developed countries, as well as to countries in post-conflict situations. We support that call, as it is crucial if those countries are to transform the aspirations of their peoples into reality and become free from poverty and hunger.

The Monterrey Consensus has emphasized the link between trade, development and financial aid. In that regard, the importance of a more open, equitable and rule-based multilateral trade system for the development of developing countries, particularly in Africa, must be highlighted. We therefore share the view not only that the Doha round should be completed no later than 2006, in order to provide the needed support for efforts leading to the attainment of the Millennium Development Goals, but also, mainly, that it should fulfil its development promise.

The Monterrey Consensus was thus an important landmark in the international community's renewed commitment to increasing its contribution to international development. We commend the setting of a new specific qualitative target by the European Union, with a view to reaching the internationally agreed target of 0.7 per cent of gross domestic product for official development assistance by 2015, with an immediate target of 0.51 per cent by 2010. We call upon all development partners to follow that positive example. We highly commend the countries that have met or exceeded the agreed target, as they have shown that, with the necessary political will, it is possible to fulfil the internationally agreed goal. Similarly, the debt-cancellation decision taken recently by the finance ministers of the Group of Eight in favour of some developing countries is to be commended. We encourage those countries, as well as other development partners, to continue with those important initiatives and to address the unsustainable debt burden of many developing countries, so that new resources can be invested in pursuit of poverty reduction in developing countries.

Increasing aid, including through innovative sources of financing, is crucial to improving the efforts of developing countries to reach the Millennium Development Goals. However, improving the quality of aid is also important to ensure the effectiveness of aid. For quite some time, the debate about aid effectiveness has tended to overlook the need for monitoring the performance of donor Governments and has instead focused almost exclusively on monitoring the performance of recipient Governments. However, the fact of the matter is that the effectiveness of aid is an issue of major concern. We must continue to make improvements on issues related to the harmonization of aid delivery in order to align it to countries' procedures, reduce volatility, increase the predictability of aid flows, minimize the costs of transition and strengthen capacity-building.

Mozambique is one of the most aid-dependent countries in Africa: hence, the potential returns of improved aid effectiveness are higher there. It is worth noting that there is a good working relationship between the Government and donor countries and international financial institutions. Overall, development programme aid — delivered mainly in the form, inter alia, of budget support and balance of payments support — is increasing. Moreover, the decline in debt servicing costs since 1998, which we highly appreciate, has contributed to saving financing resources to support ongoing Government efforts in poverty alleviation and implementing our national strategy to reduce poverty.

Nevertheless, much more needs to be done in order to achieve the sustainable economic development required for the achievement of our development plans and the Millennium Development Goals. Today's gathering must contribute in a tangible manner to that objective.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Roland Pierre, Minister of Planning and External Cooperation of Haiti.

Mr. Pierre (Haiti) (*spoke in French*): I would like to begin by commending the President of the General Assembly and by thanking the Secretary-General for his reports contained in documents A/59/800 and A/59/822, on financing for development.

The volume of financing for development in an economy is the result of a balance between the supply of funds and the demand for financing for development activities. That is useful to recall, given the rather pronounced trend in our countries to consider only the supply side. However, we need instead to look at the other side, because when one weighs things out, it seems that any substantial increase in financing for development can come only from a shift in demand. The reason for that is simple: it is much more difficult to change the supply curve than the demand curve.

Those notions of supply and demand curves apply to a two-dimensional space, with one axis being the volume of financing — or the number of projects financed — and the other axis being the probability of those projects being successful. The supply of private financing, whether foreign or domestic, is not something over which national authorities have any influence. If one does nothing, one cannot expect the local private sector to become more active; nor can one expect foreign direct investment to begin to increase. When a Government takes steps to stimulate investment, and if those steps are well considered, plans to find financing become more viable and the probability of their being successful increases. If the number of financed projects increases, it is because demand has changed, not supply. We may consider the resources of a Government negligible, and therefore their capacity for financing equally negligible. In such cases, it is only the supply of public financing for development, as the last element of the total, that can be influenced.

There is consensus about encouraging developed countries to increase their financing for development assistance to 0.7 per cent of their gross domestic product. Mobilizing additional resources could be the factor that shifts the supply curve. Two factors tend to minimize the impact of that effect. First, official development assistance is low compared to foreign direct investment. For example, in the Caribbean Community 80 per cent of long-term net external flows are private flows. Secondly, there is no indication that that supply is really moving at all: any increase in external assistance is not free, as it comes with certain conditions.

The eighth of the Millennium Development Goals, which pertains to international financing, is related to the first seven Goals, which involve an ambitious development programme. Similarly, the Bretton Woods institutions make the elimination of debt and access to concessional funding conditional upon the preparation of a poverty-reduction strategy. Given those two considerations, one could advocate a shift in demand, which would result in an increase in financing. Consequently, the responsibility for increasing financing for development is primarily a domestic matter. Demand has to be changed. Immediate progress is possible when free interaction between supply and demand is artificially restrained. What one therefore needs to do is to liberalize.

An interesting example is that of micro-credit in Haiti. Up until 1995 a periodically adjusted legal ceiling limited the interest rates that could be charged by commercial banks. That ceiling was varyingly set at between 18 per cent and 20 or 22 per cent. The result was that microcredit became a specialized activity, limited to a handful of institutions financed from concessional resources. The abolition of the legal ceiling did at least scale up resources in the area of microfinance. Today all commercial banks are involved in this activity and are by far the biggest operators in the market.

However, this is just a first step. Other laws still need to be abolished, which would make it possible to go further in this mobilization of domestic resources. In particular, certain assets, such as agricultural land, cannot be accepted as collateral in a loan contract. This is a step that must be taken.

Another sector where liberalization could bear fruit very quickly is the area of housing. Laws protect renters by prohibiting rent increases and give people up to five years' occupancy rights, against the will of the owner. The official housing market is therefore not very viable, and few investments are made. However, in the informal real estate market, such scruples go by the board. Rents follow market rates, and people tend to rent by the week. Port-au-Prince and the principal towns of Haiti are therefore becoming enormous shantytowns. Liberalizing the sector would make it possible to revitalize the building industry, which is a driving force for the economy.

Privatization also hold much promises. For instance, Electricité d'Haïti represents a real money pit for our public finances and makes the economy less competitive. The sale of the electricity produced from three gallons of diesel oil is enough to buy only one gallon.

Apart from these quick-impact reforms, the only solution is patiently to tackle the job of investing in human capital, improving political and economic governance, and reducing the overall level of risk in the economy. The interim cooperation framework — a Government programme financed by the international community — seeks to reform the justice system; to combat insecurity and corruption; and to improve macroeconomic stability.

We would stress here that these reforms are part of a process that must be carefully planned and executed. It is possible, even if one is moving in the right direction, to move too quickly and therefore jeopardize the outcome. In that sense, Haiti is an example of imbalanced liberalization. Whereas domestic markets are very much compartmentalized, and State or private monopolies represent a burden on the economy, paradoxically the country is totally open to international trade. In 1986, on the eve of the fall of the Duvaliers, the Haitian market was one of the most protected markets, with average real protection rates of 100 per cent. Ten years later, the average import tariff was at 4 per cent. When Haiti joined CARICOM, it requested an exemption to keep its tariff on imported rice at 3 per cent and asked that the 15 per cent common external tariff not be applied. The massive import of agricultural products has ruined thousands of farmers, who have been unable to retrain for other jobs because of the compartmentalized economy.

In conclusion, let me say that we can, and must, try to change the supply curve. However, the bulk of our efforts should be devoted to changing the demand curve by making national projects more attractive and therefore more competitive.

The President (*spoke in French*): I give the floor to His Excellency Mr. Rogatien Biaou, Minister for Foreign Affairs and African Integration of Benin.

Mr. Biaou (Benin) (*spoke in French*): The high-level dialogue on financing for development gives us a chance today to take stock of the efforts made to fund development activities in the countries concerned — developing countries, which are facing tremendous structural challenges and require international cooperation and solidarity to meet the challenge of overcoming poverty.

Allow me, in my capacity as Chairman of the Least Developed Countries Coordinating Bureau, to recall here the international commitments undertaken concerning a segment of the international community — the least developed countries.

In May 2001, in Brussels, our development partners committed themselves to providing the least developed countries with official development assistance according to a timetable that would enable them prudently to fund their development. The commitments undertaken state that, from 2001 to 2006, the development partners should work to attain the 0.15 to 0.20 per cent target of gross domestic product in official development assistance for the least developed countries.

However, if we consider the implementation status of the Brussels Programme of Action, it is difficult to believe that that objective will be achieved by 2006 — that is to say, next year. This is perhaps because the commitments made at Brussels, following the Third United Nations Conference on the Least Developed Countries, are often dissociated from the commitments undertaken at the Millennium Summit, and therefore from those contained in the Monterrey Consensus.

We would like to reiterate that the development objectives set out in the Brussels Programme of Action for the Least Developed Countries represent a concrete expression of the Millennium Development Goals. Therefore, development partners, both bilateral and multilateral, must work effectively to support the implementation of the Programme of Action.

The recent write-off of the debt of the heavily indebted low-income countries could enable those countries to find new resources for development. We commend our partners on that decision, and we encourage them to expand the list of beneficiaries.

Over and above writing off debt and increasing the number of beneficiary countries, the developed countries, in particular the members of the Group of Eight (G-8), should focus on eliminating agricultural subsidies, in particular cotton subsidies, by 2010, and they should strive to attain the target of 0.7 per cent of GDP — 0.15 to 0.20 of which should be earmarked for least developed countries by the year 2010.

Why did we choose the year 2010? My country, Benin, selected it as a deadline to enable the international community, and in particular the General Assembly, to undertake, in five years, an assessment of the positive impact of such measures on the economic and social progress of developing countries, in particular the least developed countries, which must make even greater efforts to attain the Millennium Development Goals.

The requirements of development funding for the least developed countries are not limited to the provision of financial resources, which are hard to predict and are sometimes long in arriving. We should therefore examine the possibility of making available capital goods.

We in Benin appreciate the many initiatives under way to set up innovative mechanisms to streamline development funding. Such mechanisms will undoubtedly make it possible to mobilize greater resources for the poorest countries. We must, however, highlight the risk of distracting the attention of the international community from the commitments already undertaken. Those commitments must be honoured, and we need to see tangible results. That is why we believe that we must from now on periodically assess the implementation of the commitments made in the framework of the International Conference of Financing for Development and of the other conferences held by the United Nations, as well as in the relevant conventions and other international instruments, such as the United Nations Convention to Combat Desertification, the Convention on Biological diversity, and the Framework Convention on Climate Change. All of those evaluations will enable us to take stock of the progress that has been achieved on the basis of mutual agreement and to assess the contribution and positive impact on development processes and the fight against poverty of developing countries, in particular the least developed countries.

The President (*spoke in French*): I give the floor to Mr. Agustin Carstens, Deputy Managing Director of the International Monetary Fund.

Mr. Carstens (International Monetary Fund): As we meet here today, it is clear that increased efforts are needed by development partners to secure the commitments made at Monterrey three years ago. Indeed, the current global environment provides an extremely positive backdrop against which to fight poverty. In 2004, global growth reached 5.1 per cent: the highest annual rate in almost 30 years. This year, world economic growth is expected to moderate somewhat to 4.3 per cent, although it still remains relatively robust. Importantly, strong growth is being recorded in both industrial and developing economies alike. In sub-Saharan Africa, specifically, growth last year was at an eight-year high.

Yet, despite those advances, current trends project that most developing countries will fail to meet the Millennium Development Goals (MDGs). With 2015 just 10 years away, urgent action is required to reverse those projections.

The International Monetary Fund (IMF) remains fully engaged in efforts to help low-income countries achieve the MDGs. Our key focus is set out in the most recent *Global Monitoring Report*; I would like to highlight the key roles that it finds that we can play in each area of the Monterrey Consensus.

First, mobilizing domestic financial resources is essential for effective development. We continue to believe that home-grown poverty-reduction strategies should be at the heart of development plans. The IMF will continue to help countries to design macroeconomic frameworks to underpin those strategies.

Secondly, effective poverty reduction requires stable and sustained growth, including through harnessing the benefits of foreign direct investment and private capital. Developing countries will need to create environments conducive to investment and business. For our part, we can help countries strengthen financial sectors and take other steps to benefit more from private capital flows.

Thirdly, without more opportunities for trade, low-income countries will not be able to achieve the sustained and rapid growth required for meaningful poverty reduction. The IMF fully supports open trade, including through the early conclusion of the World Trade Organization Doha round. In order to help countries to cope with the potential adjustment costs of trade opening, special financing is available under our new Trade Integration Mechanism to address balance of payments pressures which may arise in the context of multilateral trade reforms.

Fourthly, low-income countries need more financial and technical assistance, and we welcome the various pledges to raise aid levels. The IMF will continue providing assistance to help countries to manage aid inflows. IMF financing will also remain available to low-income countries, including at concessional rates and through a potential new facility for adjustments to economic shocks. We will continue to support the economic programmes of non-borrowing countries in other ways, including by acting in a signalling capacity as regards the strength of country policies.

We support efforts to boost aid effectiveness, including by reducing transaction costs, harmonizing donor procedures and enhancing country ownership of development efforts.

Fifthly, concerning external debt and debt sustainability, the Heavily Indebted Poor Countries Debt (HIPC) Initiative process has significantly cut the debt of 27 countries. We are now examining the Group of Eight’s debt-relief proposal. At a meeting of our Executive Board last week, we identified some issues that will be addressed and considered going forward. On debt workout and restructuring, we will continue to facilitate the orderly resolution of sovereign debt problems.

Sixthly, the IMF plays a critical role in issues concerning the international economic system. Our surveillance operations promote stability by monitoring economic conditions, identifying risks and helping in their resolution. Crisis prevention — an area of particular relevance to middle-income countries — is a key objective of IMF surveillance.

As regards the role of low-income countries in the international regime, we are examining issues surrounding their voice and their participation in our institution.

I have given a very brief outline of our main contributions as a Monterrey Consensus partner; we look forward to hearing the views and insight of members over the next few days. We will circulate a fuller written version of this statement.

The President (*spoke in French*): I now give the floor to Mr. François Bourguignon, Senior Vice-President of the World Bank.

Mr. Bourguignon (World Bank): It is a pleasure for me to be here today. Regrettably, Mr. Wolfowitz was unable to attend, but he sends his strong support and best wishes for every success for this important dialogue.

There is tremendous urgency as we approach the five-year review of the Millennium Declaration in September. Fortunately, we have already made significant progress. In particular, there is now a great deal of consensus across agencies and country groups, as set out in the Secretary-General’s report, “In larger freedom” (A/59/2005), the World Bank and International Monetary Fund 2005 *Global Monitoring Report* and the reports of the Secretary-General on financing for development report now before the Assembly.

The new consensus for action can be summarized as five core objectives. First, we recognize that actions to achieve the Millennium Development Goals (MDGs) must be anchored in strong country-led and country-specific development strategies. Special efforts must also be made to harmonize donor activities in support of those country-led priorities in order to avoid duplication, ensure prioritization and minimize demands on valuable country capacity.

Secondly, growth must be central to MDG strategies. That requires strengthening the investment climate, fiscal management and infrastructure services. It also requires continued improvements in governance, transparency and accountability. Developed countries share the responsibility with developing countries for strengthening safeguards against corruption, increasing transparency and taking appropriate legal action when necessary.

Thirdly, the rapid scaling-up of human development services is critical to achieving the human development goals.

Fourthly, accelerating growth for many developing countries requires the dismantling of barriers to international trade and the elimination of trade-distorting subsidies. The international community must aim for a successful Doha round.

Fifthly, implementing those measures requires substantial increases in the levels and the effectiveness of aid.

Those five core elements of a millennium development action programme are extremely challenging and demanding, but they can be implemented. The key to success will be both a reaffirmation of the international commitment to the goals set out in Monterrey and concrete evidence of strong political support for advancing the Monterrey compact.

There has already been some progress on several of those fronts, but in all cases more needs to be done. There has also been progress in formulating new and innovative instruments for mobilizing additional financing for development. We welcome those initiatives, including the new proposal for debt relief that was recently submitted and, in particular, the commitment to fully cover the costs of such debt relief.

Based on what we have learned since we met in 2002 at Monterrey — through progress on global initiatives, analysis, discussion and debate — the agenda for action is now much deeper and clearer than it was then. The task ahead of us now is implementation. There is still a great deal of work to do in translating the action programme into implementable steps.

We in the World Bank see our commitment as being organized around four key elements aimed at securing momentum and producing concrete results.

The first step is to significantly scale up financial support to those countries that have detailed development strategies in place and under implementation. There are several countries that meet those criteria, have massive needs for investment in infrastructure and human development, and are already showing strong results. As part of scaling-up, the Bank is committed to working with the international community to improve the quality of aid, to bring official development assistance flows into close alignment with country strategies, to harmonize procedures, and to improve the stability and predictability of flows. While debt relief for the poor countries is welcome, it is important that additional resources be provided. The Bank is also prepared to strengthen the monitoring of Millennium Development Goal outcomes and contribute to anchoring country strategies to rigorous, results-based programmes.

The second key step is to make a broad-based push to achieve the basic human development Millennium Development Goals in education for all, primary health care delivery, and the war against HIV/AIDS and other major illnesses in the developing world. For most of those, there are global programmes in place that are poised to accelerate implementation.

Thirdly, we are committed to working with the international community in providing support to low-income, fragile States. Effective international engagement with fragile States is essential to global security and the well-being of the 500 million people who live there. Towards that end, we will continue to improve Bank support to those countries and position ourselves to move quickly when opportunities for transition arise.

Finally, the Bank remains fully committed to development financing and support for the broad development agenda in both middle-income countries and low-income countries. We are fully committed to deepening our assistance for trade facilitation and the “aid for trade” agenda to expand trade capacity, for strengthening the investment climate and the environment for private sector development, for the provision and maintenance of infrastructure services vital to economic growth and human development, and for public sector reforms aimed at improving governance and fighting corruption.

Those are vital areas where global partnerships and strong country-led programmes must underpin the acceleration of growth and human development that we are all collectively striving to achieve.

The President (*spoke in French*): I call on Mr. Francisco Thompson-Flores, Deputy Director-General of the World Trade Organization.

Mr. Thompson-Flores (World Trade Organization): Progress is being made on the millennium vision, of which the Monterrey process is a crucial part, but some regions, notably in Africa, and some goals are seriously lagging. The vision can still be realized, but greater political resolve is needed.

I want to focus on trade and my starting point is the Secretary-General’s report “In larger freedom”. Trade is not the answer to all the world’s problems and trade liberalization on its own is not enough to meet all the challenges facing our societies. As Mr. Kofi Annan has pointed out, other interventions, such as aid and debt relief, are vitally important, as are sound macroeconomic policies, good governance, the rule of law and functional infrastructures at domestic levels.

But trade’s importance as a driver of growth is clear and a successful conclusion of the Doha round can make an enormous contribution to global efforts for poverty alleviation and development. That is where the contribution of the World Trade Organization (WTO) to financing for development can be found; that is where our contribution to the millennium vision can be found; and that is why we wholeheartedly support the challenge Mr. Annan has placed before world leaders for September: to commit to completing the round no later than 2006 and to ensuring that the development promise of the round is fully realized.

Leaders must rise to that challenge and give clear and unequivocal support to the multilateral trading system as the system extending the rule of law into the realm of international trade, thereby underpinning the development efforts and aspirations of all countries, rich and poor, large and small; and as the system offering the greatest opportunity, through the Doha round, for developing countries fully to integrate into the global economy and to benefit from the growth that trade can generate.

The right message from the High-level Plenary Meeting in September could catalyse the Doha round in the run-up to our sixth ministerial conference in Hong Kong in December. A strong expression of support from this gathering will also help. And, always, we must remind leaders that it is the poorest and dispossessed who have the most to lose from delays in completing the round.

Much remains to be done if we are to realize the potential of trade as a tool for development. We need ambitious outcomes in the core areas of the Doha agenda: agriculture, non-agricultural market access, services and trade facilitation. We need continued progress on rule-making, and we need an overall outcome that delivers on the development promise of the round.

Mr. Annan’s report has underscored the priority for developed countries to dismantle market access barriers and begin phasing out trade-distorting domestic subsidies, especially in agriculture. We know the importance of progress in that area and across the entire ambit of the negotiating agenda. We should remember, too, that such gains will also be maximized to the extent developing countries themselves are engaged in the process of market opening.

There is now a high-level of convergence on the need to complete the Doha round by 2006. Members are also agreed on the importance of a substantial breakthrough in Hong Kong in key areas, with July as a marker in our process. While there is no doubt as to the commitment of WTO members to advancing the negotiations, concern is growing that we are just not making the progress across the board that we need to be able to reach our July marker in good shape. The end of July is just five weeks away and an immense amount of work remains to be done.

The plain fact is that a successful conclusion of the Doha negotiations will generate great trade opportunities. It is a once-in-a-generation opportunity. Failure, on the other hand, will be a setback for global economic management and contrary to the interests of the entire world community.

WTO members are committed, but in the WTO, even where there is a will, there is not always a way. It will take skill, imagination and compromise, plus a huge amount of effort. Our Director-General is determined to achieve a package in July so that there will be a basis for a good outcome in Hong Kong, but we also need political support from all quarters, including from this gathering.

The President (*spoke in French*): I call on Mr. Carlos Fortin, Deputy Secretary-General of the United Nations Conference on Trade and Development.

Mr. Fortin (United Nations Conference on Trade and Development): The United Nations Conference on Trade and Development (UNCTAD) is one of the major institutional stakeholders in the financing for development process. As such, it is deeply committed to making a contribution in the four areas where it has a responsibility: foreign direct investment, trade, debt and systemic issues. Allow me here briefly to touch on each of them.

First, in the area of foreign direct investment, global flows to developing countries picked up in 2004. However, they remain concentrated in a few countries. Concentration is even higher if one looks at quality foreign direct investment, the sort that, by opening up markets, transferring technology, expanding local linkages and building domestic capacity, can ensure lasting development benefits for a national economy. For many low-income countries, including most least developed countries, the issue is not only how to attract foreign direct investment, but how to attract the kind of foreign direct investment that can contribute to economic growth and development. In that connection, an important challenge is to encourage and facilitate the contributions that transnational corporations could make to the implementation of the Millennium Development Goals.

More generally, UNCTAD is examining the issue of maximizing the contribution of corporations to the economic development of host developing countries and minimizing its costs, as well as disseminating best practices in that regard. We hope that our forthcoming report on economic development in Africa, entitled “Rethinking the role of foreign direct investment in African development”, can make a contribution in that respect.

Secondly, in connection with trade, at the multilateral level the Doha programme of work formally placed the needs and interests of developing countries at the heart of the negotiations. However, that remains an aspiration to be fulfilled. The adoption last year by the World Trade Organization (WTO) of the July framework raised new hopes that there could be rapid progress. For that to be so, much needs to be achieved in 2005, in particular agreement on a timetable for the elimination of export subsidies maintained by developed countries in agriculture within a reasonably short time. The so-called end-game document should be agreed upon at the WTO's sixth Ministerial Conference, which is to be held in December 2005, to allow the negotiations to proceed and be completed in 2006, with immediate implementation of the development provisions.

As already agreed internationally, immediate quota-free, duty-free market access should be provided for all exports of the least developed countries.

A further recent and promising idea is to establish a temporary international aid-for-trade fund to support developing countries in addressing adjustment costs associated with the implementation of the outcome of the Doha negotiations. It is essential that such new funding be non-debt-creating and additional to current development aid flows.

Thirdly, a number of initiatives have been taken recently in the area of debt. The decision of the finance ministers of the Group of Eight to propose the cancellation of the whole of the debt owed by heavily indebted poor countries at the completion point to the World Bank, the International Monetary Fund and the African Development Bank is to be welcomed.

While consensus is building on the full cancellation of the debt of the poorest countries, let us not forget that other countries are still facing serious debt problems that need to be resolved in a concerted way. Discussions should continue to reach an international understanding on debt-restructuring modalities that would bring together official and private creditors and debtors in a collaborative and constructive dialogue, with a view to resolving debt problems in an expeditious and timely manner and equitably protecting the interests of debtors and creditors.

Finally, in relation to systemic issues, the increasing interdependence of national economies and of the various sectors of the international economy in a globalizing world has highlighted the need to enhance the coherence and consistency of the international monetary, financial and trading systems and global economic governance. UNCTAD has been mandated by its eleventh Conference to contribute to increasing coherence in global economic policymaking.

The September summit and the WTO ministerial meeting in Hong Kong will provide the international community with opportunities to move forward on the path towards enhanced coherence of the international system as a contribution to achieving the objective set out by the Monterrey Consensus to promote "national and global economic systems based on the principles of justice, equity, democracy, participation, transparency, accountability and inclusion" (*A/CONF.198/11, resolution 1, annex, para. 9*). Those opportunities should not be missed.

The President (*spoke in French*): I now give the floor to Mr. Mark Malloch Brown, Administrator of the United Nations Development Programme, in his capacity as Chair of the United Nations Development Group.

Mr. Malloch Brown (United Nations Development Programme): I am very pleased to speak on behalf of the United Nations Development Programme (UNDP), a major stakeholder in the financing for development process.

Three years is a very short time in international relations. It is easy to forget the astonishing progress the world has made since those three days in March 2002 in Monterrey. Today we are focused on the preparations for the 2005 world summit to be held in September. The President's draft outcome document (A/59/HLPM/CRP.1) builds on areas that were covered in the Monterrey Consensus: aid, trade, debt and the need to ensure good governance so that all streams of development financing are orchestrated in national efforts to meet the Millennium Development Goals.

The proposals that the President has taken the lead in developing for the 2005 summit are important and represent a qualitative change in our understanding of international cooperation for development. But we must not forget the debt we owe Monterrey and the speed with which all of this has been accomplished. Monterrey lives, but, in a sense, today's gathering is very important, because it is a staging post on the road to September. The strength of the outcome we get here will be a vital boost to the prospects for success in September. We are building on the remarkable strides of the past few years: the great strides in the areas of official development assistance (ODA), debt and international trade.

Many speakers have observed that we have successfully reversed the declining trend in ODA. Today the ODA of the Development Assistance Committee (DAC) of the Organization for Economic

Cooperation and Development (OECD) stands at over $78 billion, its highest level yet. Announcements at Monterrey by the European Union (EU) and by the United States, to name but two partners, have alone increased ODA flows by $20 billion. The European Union has committed to developing a schedule for members to meet their aid targets, ultimately reaching 0.7 per cent of gross domestic product. Today more and more countries are committed to that 0.7 per cent target, and some have even reached 1.0 per cent. Furthermore, with the Rome declaration last year, and the Paris declaration this year, both DAC donors and major recipient countries are moving towards improvements in the efficiency of ODA delivery and greater national ownership in that endeavour.

Before leaving the subject of ODA, let me add that there is much more still to be done from now until September in the area of innovative sources of financing. In my position, it is always dangerous to single out the proposals of individual countries. But let me particularly applaud the proposals made today by the French Minister of Finance to secure a contribution by air travellers to building a better, safer and more prosperous world.

None of those new sources of financing can be a substitute for the growth of official development assistance, but they represent an ever-broader level of participation in development by both citizens and Governments. They also reflect the broad burden-sharing of peoples and Governments that must underpin development cooperation.

We have also seen remarkable progress in the area of debt, which must be confirmed by the Group of Eight at Gleneagles. In the area of trade, as we have just heard, we have great hopes for the Hong Kong meeting of the World Trade Organization. But we must continue to insist that it really is a development trade round.

Just in recent days, we have also seen civil society gather, living up to the inspiration of the Cardoso Panel, which called for civil society participation in our processes here. I hope that its message calling for a good outcome in September will be heard.

We have seen a huge emphasis in recent months here on the importance of good governance as the other half of the bargain if development is to be achieved. I hope that, in its work in Latin America, the Arab world and Africa, UNDP has been demonstrating real leadership in promoting good governance and local organization in support of that goal, and triggering and encouraging wide-ranging debate in those societies about the importance of good governance.

Today is an exciting moment on the road from Monterrey to the world summit. We very much hope that all members will allow us to achieve success here, which will put the wind of momentum in our sails as we move towards a successful summit.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Ichiro Aisawa, MP, Senior Vice-Minister for Foreign Affairs of Japan.

Mr. Aisawa (Japan): I would like to begin by expressing our great appreciation to you, Mr. President, for convening this High-level Dialogue.

We need a comprehensive approach in order to secure sufficient financing for development and to be effective. First and foremost, besides official development assistance (ODA), the financial resources available in developing countries will need to be mobilized effectively. Trade and investment can also play an essential part in successful development processes.

First, on the subject of ODA, in order to contribute to the advancement towards the Millennium Development Goals (MDGs), we in Japan will continue our efforts towards the goal of providing ODA equal to 0.7 per cent of our gross national income. With that in mind, we are committed to maintaining a credible and sufficient level of ODA in years to come. That commitment was made clear by Prime Minister Koizumi at the Asian-African Summit held in Indonesia in April. A recent Cabinet policy decision confirmed this by noting a strategic expansion of the volume of Japan’s ODA. Part of this expansion strategy is the doubling of our ODA to Africa over the next three years. Grant aid will continue to be the central feature of this increased assistance to Africa.

Sustainable economic growth is essential to poverty reduction and to the fight for freedom from want. Sustainable economic growth is difficult to achieve through foreign aid alone, however generous. Measures to improve the investment environment, including infrastructure, are critically important. The success story of East Asia’s economic development is testimony to that.

Bearing this in mind, I should like to mention a few examples of efforts my Government is making to contribute to the advancement of the MDGs. First, Japan will host the next Tokyo International Conference on African Development in 2008. Secondly, Japan hosted a high-level forum on the health-related MDGs in Asia and the Pacific last week; I myself attended. We launched a health and development initiative that underscored the importance of improving the health of individuals in developing countries.

Thirdly, in response to a recent African Union declaration on national agricultural budgets, we will increase our assistance in this sector, and we have launched the African Village initiative. To support development of the private sector in Africa, including small and medium-sized enterprises, the Japanese Government, in partnership with the African Development Bank, will initiate a soft loan facility totalling $1.2 billion over the next five years.

Fourthly, Japan will fully support the New Asian-African Strategic Partnership, which was announced at the Asian-African Summit. We should not overlook the fact that there are still a number of poor countries — including least developed countries, landlocked developing countries and small island developing States — in the Asia and Pacific region as well.

Finally, we will all have to continue to move ahead, taking realistic and practical approaches and avoiding excessive focus on new financial mechanisms such as the International Finance Facility and international taxation. These have a number of conceptual and technical problems that need to be resolved. In other words, donor countries should redouble their efforts to strengthen appropriate initiatives within their capacity, based on their own institutional systems and circumstances.

In conclusion, the year 2005 is an important one for development, as well as for United Nations reform. No effort should be spared to achieve tangible results in both of these areas. Japan will continue to work together with Member States, with you, Mr. President, and with your facilitators, as well as with the Secretary-General, to make the September summit a historic milestone for the future of this Organization and for all humanity.

The President (*spoke in French*): I now give the floor to His Excellency the Honourable E. Ahamed, Minister of State for External Affairs of India.

Mr. Ahamed (India): We welcome this opportunity to participate in the High-level Dialogue of the General Assembly on Financing for Development. We have consistently held that the United Nations should have the pivotal role in setting the global development agenda, including in relation to trade, external debt, money and finance and technology, and in providing political guidance for the work of the specialized agencies, including, in particular, the World Bank, the International Monetary Fund and the World Trade Organization.

We associate ourselves with the statement made by the representative of Jamaica on behalf of the Group of 77.

The Monterrey Consensus emphasizes the role of the State in socio-economic development and the importance of public investment in that context. We believe that the role of the State should not be limited to providing a favourable macroeconomic, legal and regulatory framework for private-sector growth and for attracting investments from abroad. It needs to undertake substantial investment in human development sectors and in basic physical, social and institutional infrastructure.

There is an urgent need for transforming the Monterrey Consensus into concrete action. We welcome the recommendations of the Secretary-General to establish fixed timetables for developed countries to achieve the 0.7 per cent target by 2015 at the latest, with an intermediate target of roughly doubling aid to 0.5 per cent for 2009; to direct more aid to the least developed countries; and to make concrete commitments to improve the quality of aid.

The absence of substantial progress in providing adequate amounts of additional official development assistance (ODA) to meet the Millennium Development Goals (MDGs) has prompted exploration of various innovative financing mechanisms. In any case, it would be important to ensure that ODA does not fall below a pre-committed level. Those proposals for innovative mechanisms continue to face several challenges. In that context, we stress the need to ensure that new mechanisms and new sources should not lead to greater burdens on developing countries. Innovative financial mechanisms and innovative sources of financing should not have an adverse impact on the existing level of resource flows.

While ODA would help to achieve the MDGs, trade would help to sustain the gains. In that context, it is important to make the Doha round of trade talks development-oriented in reality and to bring the round to a conclusion expeditiously. In the case of non-agricultural market access, it is particularly important that any reduction formula adopted does not infringe the principle of special and differential treatment and the flexibilities available to developing countries in the August 2004 Framework Agreement.

Statistics from sub-Saharan Africa demonstrate that debt-constrained structural adjustment policies compounded the problem through the decline in agricultural investment. It logically follows that any achievement of MDGs in a sustained manner, leading to real economic transformation, is hardly possible without a fundamental reform of international economic and monetary institutions.

The democratic deficit in the governance of the Bretton Woods institutions needs to be addressed to enhance the legitimacy, transparency, accountability and ownership of the decision-making process. Since Monterrey, progress has been limited to and distracted by peripheral issues which are not central to enhancement of “voice” in decision-making. We would strongly urge increasing the momentum towards tackling the central structural issue of voting power. The need for greater voice and representation of the developing countries in the international financial institutions and the decision-making processes cannot be overemphasized. Good global economic governance is as important as good national governance for economic efficiency.

We support the extension of further debt relief to highly indebted poor countries and low-income countries facing problems of inadequate resources for financing the MDGs. Debt write-offs have to be accompanied by better terms of trade, greater access to markets and investment inflows. Further, debt sustainability should not be only for the purpose of attaining the MDGs.

In the case of international trade, financial and monetary organizations, as with the currently strongest body of the United Nations, it is only the permanent membership of developing countries as a group in solidarity that can contribute effectively to realizing the political and economic agenda of the developing world. That would increase policy space and participation for all, and change in the correlation of forces would strengthen the General Assembly and the Economic and Social Council. Such change can help in re-establishing the pivotal role of the United Nations, wherein the United Nations sets the agenda and the Bretton Woods and other institutions follow. The September event will give us the opportunity to restore development as the centrepiece of the global agenda, with the primacy of the United Nations.

India recognizes the need for an effective mechanism to assess the implementation of the commitments and agreements reached at the Monterrey Conference. The annual meetings of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) should serve that purpose. The need for greater synergy between the annual meetings of the Economic and Social Council with the Bretton Woods institutions, WTO and UNCTAD, on the one hand, and the biennialized high-level meeting of the General Assembly, on the other, is also recognized. But coherence between the United Nations and the specialized agencies is, by itself, not enough to accomplish that. For that reason, we are not convinced of the soundness of the recommendation of the Secretary-General to establish an executive committee of the Economic and Social Council to facilitate cooperation with multilateral institutions dealing with trade and finance. The United Nations has to play a predominant role not only in setting the direction, but also in delineating and guiding the international macroeconomic agenda.

The President (*spoke in French*): I call on Her Excellency Ms. Marjatta Rasi, Vice-Minister for Foreign Affairs of Finland.

Ms. Rasi (Finland): I associate myself fully with the statement made earlier on behalf of the European Union by the representative of Luxembourg.

It is a great pleasure for me to address this year’s High-level Dialogue on Financing for Development. The year 2005 is a crucial year for development. It marks the first global stocktaking of the progress made in implementing the Millennium Declaration agreed upon by the international community five years ago. The subsequent Monterrey Consensus provides the common framework for the broad-based partnership for development required to support the achievement of the objectives of the Millennium Declaration.

Developed and developing countries must join hands in order to ensure the achievement of the Millennium Development Goals (MDGs). The primary responsibility for development lies with the developing countries themselves. Developing countries need to design and implement strategies built on their national development priorities, improve policies and governance to achieve stronger economic growth, and scale up the delivery of human services. Good governance and an efficient institutional framework must be in place to ensure that growth benefits the poor and is compatible with sustainable development. Our own experience implies that institutions and policies that promote the active participation of all members of society in economic, social and political life contribute to equitable and sustainable growth.

Yet, increased finance for development and improved effectiveness of aid remain central to meeting the MDGs. Unfortunately, efforts in that regard are still insufficient and much more has to be done. The current levels of official development assistance fall short of the estimates of what is needed to meet the MDGs. As stated in the Secretary-General's report, it is of vital importance that the developed countries live up to their Monterrey commitments to secure sufficient financing for development.

Increased aid effectiveness is crucial for achieving the MDGs. Aid needs to become more predictable. In many countries, aid is more volatile than fiscal revenue, progress on harmonization and alignment has been mixed, and the agenda on managing for results is in its initial analysis and stages.

The recent decision by the G8 finance ministers to cancel the debt of the highly indebted poor countries marked a significant step forward in solving the problem of the unsustainable debt burden of many developing countries. Finland welcomes that decision and confirms its willingness to participate in the initiative. The cancellation of debt allows countries with good policies and governance to spend their own resources according to the priorities of national poverty reduction strategies, thereby increasing country ownership and efficiency.

Improving coherence between aid and trade policies by reforming trade and opening developed country markets to the products of the developing countries has been rightly identified as an important tool of development. We agree with that and look forward to an ambitious outcome to the Doha round and a timely conclusion of negotiations. We realize, in addition, that technical assistance and investments in infrastructure are needed for developing countries to benefit from the potential results of the Doha round. We also believe that a necessary complement to that is that developing countries should open their own markets to each other.

The issue of preventing and combating corrupt practices deserves special attention, as corruption hits hardest the poorest and the most disadvantaged groups in all societies. We welcome the intensified anti-corruption efforts in many parts of the world, yet more can be achieved. The elimination of corruption requires concerted action on the global scale, and therefore a strengthened effort by all multilateral and bilateral actors is needed.

Let me now turn to the challenge related to the coherence, coordination and cooperation of the international organizations. The need for increased efforts to strengthen the entire multilateral system is widely acknowledged. The World Commission on the Social Dimension of Globalization calls for a reform of global governance as a means of ensuring that the process of globalization benefits all. The Helsinki Process, led jointly by the Governments of Finland and of Tanzania, is also searching for new approaches to global problem-solving. While there are no easy answers, we are convinced that a broad-based discussion involving Governments, international organizations and civil society in the developed and developing countries will contribute to a more coherent and more equitable global system.

We welcome the progress that has been made in strengthening the multilateral system to promote development. The annual spring meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) has played an important role in maintaining the political momentum on financing for development and in providing a forum for an open dialogue among the leading multilateral actors. The meeting has developed into a strategic platform where collective action in support of the Monterrey Consensus and the MDGs can be enhanced through joint discussions.

The Millennium Development Goals include clear targets for eradicating poverty and related human deprivations as well as for promoting sustainable development. In September, our heads of State or Government will gather here in New York to assess what has been achieved and what needs to be done to meet the Goals by the year 2015. While the prospects for halving the proportion of people living in absolute poverty seem promising at a global level, the progress made towards meeting goals in the area of human development has been much slower. Without tangible efforts to speed up, the risks of failing are great.

The President (*spoke in French*): I give the floor to His Excellency Mr. Helmut Angula, Director-General of the National Planning Commission of the Republic of Namibia.

Mr. Angula (Namibia): The Monterrey Consensus, which we adopted three years ago, provides a broad-based partnership for development in support of development goals, including the Millennium Development Goals (MDGs). The International Conference on Financing for Development called on all stakeholders in development financing to stay actively engaged in this process, and this high-level dialogue is an opportunity for us to do so. The overall theme of this dialogue, which concerns the status of implementation and the task ahead, is timely in view of the fact that all the reports and studies on the implementation of the outcomes of major United Nations summits and conferences cite the lack of financial resources as the major obstacle towards that end.

In Monterrey, we reaffirmed the primary responsibility of developing countries to mobilize their domestic resources by strengthening governance, combating corruption, instituting structural and many other types of reforms, and reports indicate that we have made progress in that regard. However, recent reports reveal that there has not been a commensurate response from our development partners as far as assistance is concerned. The Secretary-General has rightly pointed out that, for most low-income countries, and nearly all least developed countries, even full domestic resource mobilization will fall short of what is required to reach the MDGs and that therefore they will require substantial official development assistance (ODA) in the form of grants and concessional lending. I must emphasis that the same will be true for many of our so-called middle-income countries.

We note with interest the call made by the Secretary- General for poor countries to adopt and begin to implement, no later than 2006, national development strategies bold enough to meet the MDGs by 2015, and that they should count on sufficient increased and predictable international aid in that regard. These are noble ideas, but care should be taken to ensure that such undertakings do not put additional financial burdens on developing countries.

The success of the task ahead will depend on whether the international community takes concerted action towards assisting those developing countries that are not likely to meet the MDGs. The international community must heed the Secretary-General’s call to redefine debt sustainability to mean the level of debt that will allow a country to meet the MDGs by 2015. We welcome recent initiatives by several development partners, notably the G-8 ministers, towards increased debt cancellation, especially for the 18 poorest countries. To achieve the MDGs, however, these or similar initiatives need to be expanded to include more developing countries. Furthermore, additional debt relief must really be additional and should therefore not negatively affect other programmes. We all have recognized trade as an engine for growth, and it must be conducted in a fair, equitable and non-discriminatory manner. Developed countries should therefore provide market access for developing countries and eliminate subsidies and other trade-distorting measures.

We all know that many of our countries, especially in sub-Saharan Africa, may not meet the target of reducing extreme poverty and hunger by 2015. We also know that, to meet that target, the annual financing gap of $50 billion needs to be bridged. New and additional funding, including through innovative sources of financing, must therefore be found. In that regard, we support the call by the Secretary-General to launch the International Financing Facility and other similar initiatives. It must, however, be stressed that such new initiatives must be additional to the existing commitments.

For more than 35 years now, developed countries have been pledging to give 0.7 per cent of their gross national product (GNP) as ODA to developing countries. So far only about five countries have currently reached or exceeded that level of commitment, and we express our appreciation to them. Development partners should therefore heed the call made by the Secretary-General to set themselves time-frames for achieving that target before 2015. Donors should also take effective actions towards minimizing or eliminating the unfair conditionalities that they attach to their assistance to developing countries. Developing countries were urged to carry out institutional and governance reforms as well as reforms in other related areas, and they have made progress in that regard.

At Monterrey, we all recognized the need to ensure that the voices of the developing countries are heard and to enhance their participation in the decision-making, policymaking and norm-setting processes in the international, finance and trade institutions. To date, those goals remain elusive.

My delegation concurs with those who call for donors to support infrastructure development, especially in rural areas, as opposed to supporting only delivery of social services. We are also of the opinion that regional and subregional organizations should be strengthened. In that regard, we take note of the fact that the international community has recognized the special needs of Africa and that it has also recognized New Partnership for Africa's Development (NEPAD) as the framework within which to assist the continent.

Important as this dialogue is, my delegation is of the opinion that, as is the case with other major conferences and summits, there is a need for an intergovernmental follow-up mechanism for this process. We also wish to see clear indicators and a monitoring mechanism for the implementation of all internationally agreed development goals, including the MDGs. As we prepare for the sixtieth anniversary of the United Nations and the 2005 High-level Plenary Meeting of the General Assembly to review progress towards the implementation of the MDGs and other development goals, including those contained in the Monterrey Consensus, our sincere hope is to see this dialogue make a meaningful contribution to that process.

The President (*spoke in French*): I now call on His Excellency Mr. Peter Adams, Executive Director of the Agency for International Development of New Zealand.

Mr. Adams (New Zealand): We have gathered here in New York to exchange views on the Millennium Project report, *Investing in Development*, and on the Secretary-General's report entitled "In larger freedom" (A/59/2005). We have gathered to assess progress in the implementation of the Monterrey Consensus and to look forward to the September summit. 2005 could and should be a watershed year for the United Nations and for development. The real test of our collective efforts this year will be what history says about 2005 in 2010 and — especially — 2015. Our successors will ask whether we failed or succeeded in injecting the necessary additional momentum to our pursuit of the Millennium Development Goals.

We are meeting at a time when there is a real prospect of economic, social and environmental progress in parts of the world that have been allowed to languish in poverty for too long. An increasing number of developing countries are adjusting their policy settings to enable growth that benefits the poor. Official development assistance (ODA) is rising steadily in real terms; there is significant progress on reducing the debt burden of poor countries; and rights-based approaches are attracting greater support. New Zealand supports a strong outcome from the summit in respect of sexual health, reproductive rights and gender.

Talks are under way to liberalize the global trading environment. If the Doha Development round is successful — and New Zealand is working hard to ensure that it will be — it will clearly have the potential to help developing countries lift themselves out of poverty, provided that they can access the capacity-building support needed to take advantage of those new opportunities.

I want to focus on three key messages that New Zealand would like to see go forward from this dialogue to the high-level event in September.

First, we all acknowledge that more aid is needed to achieve the Millennium Development Goals and other development goals and targets. We expect a strong outcome on that score. With that in mind, the New Zealand Government has recently committed to substantial increases in ODA volume, including a 23 per cent increase this year, the largest annual increase in New Zealand's ODA ever made.

In connection with increases in volume, New Zealand would like to see the summit provide further global impetus to aid-effectiveness initiatives. Enhanced aid effectiveness will deliver more control to developing countries in determining their own development path, while increasing the value to developing countries of every dollar spent on aid.

New Zealand expects that the summit will encourage Governments and multilateral agencies to implement fully the Paris Declaration on Aid Effectiveness. We welcome the focus on aid effectiveness within the United Nations system. The summit should encourage ambitious progress in this regard, building upon the proposals in the Secretary-General's report. More work is needed to ensure that the United Nations development system works in closer partnership with donors, based on country-driven priorities and plans.

The second theme that we would like to emphasize is that it is important that the summit acknowledge countries in special circumstances, including small island developing States. The special development needs of small island developing States should be recognized in the outcome from this dialogue. New Zealand expects that the summit will give a substantial boost to the implementation of the Mauritius Strategy for small island developing States.

Lastly, issues of environmental sustainability are inextricably linked to development. One stark example of that is the impact of climate change; again, small island States are particularly vulnerable in that respect. A constructive international dialogue is urgently needed on how to take action on climate change while at the same time providing for economic growth and development aspirations. As the Secretary-General has said, we must develop a more inclusive international framework for climate change beyond 2012. Anything less than broad and balanced participation and action — in particular by all of the world's major emitters, including both developed and developing countries — will be inadequate to deal with a challenge of that magnitude.

The President (*spoke in French*): I now give the floor to His Excellency Mr. João Gomes Cravinho, Secretary of State for Foreign Affairs of Portugal.

Mr. Gomes Cravinho (Portugal): I am honoured to be here today representing Portugal at this follow-up to the meeting that resulted in the Monterrey Consensus. That meeting, just over five years ago, was a watershed in the slow but inexorable process of consolidating global consciousness that development is a matter that must be of concern to all of us, wherever we may be throughout the world. Portugal is fully committed, both within the framework of the European Union and in its own national development aid policies, to fully supporting the achievement of the Millennium Development Goals.

As we come together now, and when we meet in September, we must, above all, retain in our sights this idea: the Monterrey global partnership must continue to make headway as a defining feature of our current international landscape.

Portugal aligns itself fully with the statement delivered by the European Union presidency. Nonetheless, I wish to take this opportunity to highlight a number of challenges addressed in the most recent report of the Secretary-General.

The Secretary-General rightly points out that mobilizing domestic financial resources is a central requirement for achieving the Millennium Development Goals, and that primary responsibility for that lies with the developing countries. Nevertheless, the manner in which donor countries bring their policies to bear upon the aid relationship may have a powerful impact on that issue. Especially in the case of post-conflict countries or fragile States, it is fundamental that donors and recipient Governments work together to develop a sensitive approach to domestic resource mobilization. Portugal is very attentive to the issue of domestic resource mobilization and will continue to work with partner countries in that domain.

The mobilization of international resources for development, foreign direct investment and other private flows directly challenges donor countries to play their part in that global process. As regards Portugal, we are currently engaged in outlining a new development cooperation strategy in order to improve the efficiency, effectiveness, sustainability, coherence and expenditure planning of national aid policy on a long-term basis. The Millennium Development Goals form a central source of inspiration for that new strategy. Part of this process will also usher in the creation of a development finance mechanism that will help to mobilize private resource flows, strengthening the synergies between foreign direct investment and official development assistance (ODA).

In terms of public resources, Portugal expects to achieve, by 2010, the European Union target of 0.51 of its gross national income for its ODA. Portuguese aid is particularly focused on the least developed countries, mainly in sub-Saharan Africa. Having allocated 0.2 per cent of our gross national income to the least developed countries, we have already exceeded the United Nations target in this regard, and we urge all developed countries to be equally attentive to that objective.

While there is much progress to be made internationally in achieving our commitments on resource flows, it has become clear over the years that greater creativity is required in identifying new mechanisms for financing development cooperation within a sustainable international framework. In this regard, we subscribe to the European Union position regarding the International Finance Facility, and we believe that further efforts must be dedicated to finding ways of promoting better international burden-sharing for that global concern.

I would like to stress that Portugal intends to increase its participation in international efforts towards global development. We view the Millennium Development Goals as a dynamic and multidimensional process, which requires a serious and responsible response from all countries. That also means that we believe that the participation of developing countries in the international decision-making process is of the utmost importance and that it is the key to ensuring ownership, accountability and good governance.

Portugal sincerely believes in a global partnership that joins Governments and civil society organizations in both the northern and the southern hemispheres. Much progress has yet to be made in deepening that partnership. It has become commonplace to refer to the rise of the network society as part of the process of globalization. When we use the term "partnership" we are simply saying that we must seek to make our global networks work for development. Moments such as this one, where we can bring together, confront and harmonize our visions of development, are fundamental contributions to that process. I hope that at the summit in September we can all feel that we have taken further steps towards networking for development, involving both Governments and civil society.

That task is a vital one if we wish to honour the eloquent words of Secretary-General Kofi Annan in his report entitled "In larger freedom", with which I would like to end. The Millennium Development Goals can be met by 2015 if all involved now "break with business as usual and dramatically accelerate and scale up action" (*A/59/2005, para. 31*).

It behoves us to ensure that business as usual and partnership for development become synonymous.

The President (*spoke in French*): I now give the floor to His Excellency the Honourable Giuseppe Drago, Vice-Minister for Foreign Affairs of Italy.

Mr. Drago (Italy) (*spoke in Italian; English text furnished by the delegation*): I am sad to say that, while the overall wealth of the world has increased in recent years, the distribution of wealth unfortunately appears to be more and more unequal. A growing percentage of humankind finds itself in the grip of hunger and poverty. It is inconceivable — impossible — for there to be a globalization of economic and trade exchanges without a corresponding globalization of solidarity.

In Monterrey the right programme was defined to address the current problems of financing for development. We appreciate its founding principle, namely, that primary responsibility rests with the developing countries themselves. They must apply themselves with determination to creating legal, political and institutional foundations consistent with a market economy, to give every woman and every man the opportunities to which they are entitled. And they must do so without impositions, in compliance with, and respect for, the traditions and history of each country.

We are convinced that official development assistance (ODA) should represent only one part of a broader strategy that provides for actions to grow domestic financial markets, attract foreign capital, solve the problem of foreign debt and in general review the rules and procedures of international trade and finance.

It is on that basis that I would now like to briefly illustrate the actions that Italy has taken, and that it intends to take, to launch the implementation of the Monterrey Declaration.

In terms of official development assistance, along with most other donor countries, we are committed to reaching the target of 0.7 per cent of gross national product in ODA, consistent with the Millennium Development Goals. We have also signed on to the additional commitment to arrive at 0.51 per cent in ODA by the year 2010. The achievement of that intermediate goal will require a major effort for my country, considering the economic difficulties and budgetary constraints imposed by the fiscal regulations of the European Union. To do so, we are planning to increase public spending on development cooperation, review the foreign debt of some of our creditors and, above all, seek the involvement of the entire Italian system, both the public sector — central and local government — and the private sector — non-governmental organizations, foundations, banks and businesses — in a strategic vision based on the Millennium Development Goals and on national priorities.

We are particularly sensitive to the role of the private sector as an engine of economic growth. Italian cooperation is working to promote widespread entrepreneurship in developing countries, especially in the areas of agriculture and manufacturing. We have decided to give priority to small- and mid-sized businesses, offering our experience with the creation of industrial districts.

In the same vein of creating new opportunities and stimuli for economic growth, we have launched major initiatives to encourage the channelling of emigrant remittances and the development of microcredit and microfinance systems tied to the Italian banking system. In 2004, for example, emigrant remittances amounted to €5 billion, roughly double the amount of Italian ODA.

With regard to what is undoubtedly the neediest continent, in recent years Italy has directed to sub-Saharan Africa more than 40 per cent of its development cooperation resources, both bilaterally and multilaterally, in coordination with the United Nations agro-food agencies. We have contributed €100 million euros to the Food and Agricultural Organization's Trust Fund for Food Security, $36 million for the sixth refinancing of International Fund for Agricultural Development and, in 2004 alone, $48 million to the World Food Programme for emergency food assistance and more ambitious actions. That effort has more recently been developed in the framework of the New Partnership for Africa's Development, an initiative that was born in Genoa in 2001.

Effective pursuit of the Millennium Development Goals requires the re-establishment of full debt sustainability. We have therefore provided heartfelt support to the Heavily Indebted Poor Countries (HIPC) Initiative. We are proud to report that, in a bilateral effort, we are cancelling 100 per cent of the debt of HIPC countries. Since 2001, Italy has cancelled $2.7 billion in debt owed by such countries, and we are planning to cancel up to $4.5 billion in debt. At the same time, we have also supported the Group of Eight's launching of an initiative to cancel 100 percent of HIPC countries' debts to the World Bank, the African Development Bank and the International Monetary Fund.

My country is committed to a series of other initiatives in a variety of sectors on behalf of developing countries. Of the many I could cite, I would mention our support for the Action Against Hunger and Poverty, launched at the United Nations in September 2004 and carried forward by the Technical Group on Innovative Financing Mechanisms, as well as our position in favour of establishing an International Finance Facility and creating within it a pilot project on vaccines.

Finally, I should mention that we are proposing an initiative to promote research into new vaccines against the most widespread epidemics — such as HIV/AIDS, malaria and tuberculosis — through advance vaccine purchase commitments by the Governments involved once those vaccines are developed and released on the market.

In short, this is recognition of Italy's concrete commitment to ODA. Many other countries that have already spoken, or which are yet to speak, also provide equally significant contributions. Those are important contributions that should not be wasted and that should reach their goals in the most effective way possible following a concerted multilateral effort in line with a shared vision.

In a speech to an audience of fellow physicists and mathematicians, Albert Einstein once said, "Concerns for man and his fate must always form the chief interest of all technical endeavours. Never forget this in the midst of your diagrams and equations." Even if the financial resources that the rich countries direct to poor countries were to match the best projections and most optimistic models drafted by our economists, they would not be sufficient to tackle the daunting development challenges before us.

We need to rediscover a long-term understanding among the States of the world — a solidarity that is sorely wanting — to once again embrace universal respect for shared values aimed, above all, at safeguarding the centrality of the human person and protecting and supporting our weaker sisters and brothers. The cost-benefit analysis of the many multilateral instruments deployed to safeguard those values is unsatisfactory. The malpractice, corruption, indifference and aggression of the few have all too often prevailed over the commitment and generosity of the many.

Today, more than ever before, we need a supernational forum that is not exploited by a single country or restricted group of countries in accordance with an outdated model of international relations. We need an authoritative body, equipped with instruments, that is the impartial reflection of everyone and is dedicated, above all, to issues of development assistance.

The President (*spoke in French*): I now call on His Excellency Mr. Oskaras Jusys, Under-Secretary in the Ministry for Foreign Affairs of Lithuania.

Mr. Jusys (Lithuania): First of all, I would like to express Lithuania's support for the statement made by the representative of Luxembourg on behalf of the European Union.

Today, globalization requires enhanced collective efforts to fight poverty in a perpetually changing world. We acknowledge that the Monterrey Consensus remains high on the international agenda. In order to implement the commitments made at Monterrey, we must considerably improve our mutual partnership and strengthen dialogue between developing and developed countries.

The year 2005 marks one third of the way towards 2015, a key year by which the Millennium Development Goals should be achieved. It is of paramount importance to ask ourselves what has been done since 2000, when world leaders signed the Millennium Declaration. Poverty, hunger, communicable diseases, global terrorism and human rights issues still cause profound trouble in the developing world. In some regions, despite the efforts that have been made, poverty has increased.

However, important and positive steps to eliminate those problems have been taken by both developing and developed countries. Today, partnership and dialogue are being based on Poverty Reduction Strategy Papers, better coordination and the harmonization of operational procedures. We should also note the efforts of developing countries to further improve their governance through institutional reforms, greater transparency and the fight against corruption.

The year 2004 marked significant changes in the geopolitical map of Europe. A number of countries that had formerly been aid recipients became members of the European Union (EU) after a process of profound reform. All of them have declared their strong commitment to support the efforts of the global community to meet the needs of the world's poorest. By doing that, they all proved that they share the European idea of solidarity.

Just a few weeks ago, a unique solidarity was demonstrated when the Council of the European Union adopted a new collective EU official development assistance (ODA) target of 0.56 per cent of gross national income by 2010, which would result in an additional €20 billion in ODA by that time. Such steps are a forceful statement that the European Union and all its member States, old and new alike, are resolved to achieve the Millennium Development Goals and to eliminate world poverty.

As stated in a recent statement delivered by the EU presidency, "the 10 new EU member States are on track to join the EU ODA targets". While we reaffirm that determination, Lithuania strongly believes that the mobilization of local resources, the commitment to good governance and ownership and the capacity to absorb assistance in implementing reform should be further strengthened by developing countries. Trade liberalization and the promotion of investment should play significant roles in the achievement of the Millennium Development Goals.

I would like to stress that Lithuania succeeded in its reform process in only a decade. That was a truly unique experience, and I believe that our knowledge and expertise would be of great value to many developing countries. Lithuania can play a useful role by sharing with potential partners its experience in the areas of transition management and, in particular, State-building.

The President (*spoke in French*): I now call on the last speaker this evening, His Excellency the Honourable Bruce Billson, MP, Parliamentary Secretary for Foreign Affairs and Trade of Australia.

Mr. Billson (Australia): Australia continues to strongly support the Monterrey Consensus. Its integrated approach, requiring a partnership between developed and developing countries, with policies and actions required of both, is essential to achieving progress towards the Millennium Development Goals. The Monterrey Consensus remains as relevant now as it did in March 2002.

We know that the key to further progress in reducing poverty and raising living standards is sustainable, broad-based economic growth. The experience of East Asia, where more than 500 million people have been lifted out of absolute poverty over the past 20 years, demonstrates that growth is essential to reduce poverty and that it will generate the vast majority of resources required for development.

The impressive rates of economic growth and poverty reduction in East Asia therefore give us hope that significant progress can be achieved. We have seen in countries such as China, India and Viet Nam a demonstration of the enormous benefits of putting in place sound economic policies and pro-growth reforms while also removing barriers to trade and investment.

Australia supports an integrated approach to development financing which mobilizes domestic resources, facilitates foreign direct investment, pursues trade liberalization and increases effective official development assistance (ODA).

Trade liberalization is a key driver of sustained global development. We urge developed and developing countries alike to accord the highest priority to the finalization of the World Trade Organization Doha round of trade negotiations by 2006. Of particular importance is reform of agriculture — the most distorted area of world trade. According to the World Bank, agricultural liberalization would account for almost two thirds of developing countries' total potential gains from the Doha round.

Least developed countries require support to harness the benefits of trade liberalization. Australia's aid programme includes significant, multi-year commitments amounting to $A245 million for trade-related capacity-building and trade facilitation. Since 2003, Australia has also granted unconditional tariff and quota-free access for all goods from least developed countries, and we call on all other States to do likewise.

Good governance remains the cornerstone of development, creating an environment for private sector development and employment that allows the poor to participate in the economy, which reduces poverty and improves livelihoods. Promoting macroeconomic stability and the rule of law, ensuring property rights and tackling corruption are central to those efforts.

As pointed out in the Secretary-General's report "In larger freedom" (A/59/2005), stability and security are necessary foundations for poverty reduction. Conflict and instability undermine confidence and deter investment. The poorest 20 per cent of people in the world suffer 80 per cent of the world's civil wars.

Australia has delivered five successive years of real growth in our ODA since the Millennium Summit was held in September 2000. As a result of recent commitments, from 2005 to 2009, Australia will provide an additional $A2 billion in ODA, on top of our existing aid programme.

To meet the challenges ahead, however, time-bound and overly prescriptive approaches to aid delivery will be no substitute for efforts that are flexible, targeted and focused on development outcomes. We strongly support coordinated and effective aid efforts, and, for Australia, financing increases in ODA through traditional means is simple, cost-effective and transparent.

To that end, Australia has made a number of substantial multiyear commitments to addressing critical needs and challenges in the Asia-Pacific region. These include a new additional A$1 billion partnership with Indonesia for reconstruction and development; A$841 million over the next four years for the Regional Assistance Mission to Solomon Islands to restore law and order and to rebuild the country's institutions and economy; and a A$600 million commitment to combat HIV/AIDS.

Australia continues to support multilateral debt relief delivered through the Heavily Indebted Poor Countries initiative. The recent G-8 proposal for further multilateral debt relief has Australia's strong support. The Asia-Pacific region contains more than a quarter of the world's least developed countries and more than two thirds of the world's poor. The development needs of the region are large and diverse, and they require the continued engagement and attention of the international community. The Monterrey Consensus identified the special needs of small island developing States. Our extensive experience of the difficulties faced by our small Pacific Island neighbours has increased our commitment and the sustainability of our efforts to support Pacific Island partners in recent years. We fully support the Mauritius Strategy as a framework for the development of small island developing States.

We welcome the growing international recognition of the special challenges faced in post-conflict and fragile States. Disengagement with fragile States is not a viable option, but the nature of the engagement needs to be integrated and innovative.

Australia will continue to support the Monterrey Consensus as a sound framework for development and poverty reduction.

The meeting rose at 6.05 p.m.