United Nations A/62/PV.32

General Assembly

Sixty-second session

Official Records

32nd plenary meeting
Tuesday, 23 October 2007, 3 p.m.
New York

President: Mr. Kerim . . . . (The former Yugoslav Republic of Macedonia)

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

Agenda item 53 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development

(b) High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development

Reports of the Secretary-General (A/62/190 and A/62/217)

Note by the Secretary-General (A/62/271)

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (New York, 16 April 2007) (A/62/76 and A/62/76/Corr.1)

The President: I now give the floor to His Excellency Mr. Bert Koenders, Minister of Development Cooperation of the Netherlands.

Mr. Koenders (The Netherlands): Today we are discussing the urgent question of if and how we will be able to finance the Millennium Development Goals (MDGs) so that they can be reached by 2015. Many countries are lagging behind in reaching many of the MDGs, so we need to step up our efforts and keep our promises. Many Group of Seven countries and new emerging donors have not come up with additional financing. Official development assistance (ODA) in the past year decreased; the trade negotiations that promised to finalize a so-called development round are stalled; many countries still have to wait for the Heavily Indebted Poor Countries Debt Initiative (HIPC) process of debt reduction to be dealt with; and many developing countries have not yet stepped up their efforts to invest in human development.

This morning, the Secretary-General signalled a mixed picture of progress and setbacks in his report on the follow-up to the International Conference on Financing for Development. Serious work and responsibilities lie ahead for all of us.

Today we are witnessing growing inequality between and within States. The world economy is growing, which is a crucially positive development, but at the same time we are faced with three fundamental challenges — first, poverty and the unequal distribution of wealth; secondly, poverty and climate change; and thirdly, poverty and the unequal distribution of security. These three challenges are interlinked in a complex manner. Our efforts should focus on solving all three fundamental challenges by acting urgently.

This must be done by, first, by stepping up our efforts. In the countries where the MDGs are off track, measures have to be taken in the domestic arena to ensure progress in fields such as progressive taxation, democratic accountability and transparency. In support of these national efforts, international efforts, both

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through transfer of funds and through meaningful political dialogue, can and should also play a role of greater importance. The Netherlands has been a consistent 0.8 per cent donor for decades, and we have added in the new cabinet period 700 million euros extra to start addressing the environmental adaptation agenda for least developed countries. In spite of all the promises made in the past few years, including those made in this arena, worldwide development aid even dropped by five per cent last year.

As the international community, let us implement the Monterrey agreement. We fall way short of our targets. If we are to attain the Millennium Development Goals, we need to reverse this trend. The European Union (EU) decision to raise its ODA level in accordance with specific targets and a timetable for the coming years can now be realized. We expect more G-7 and non-traditional donor countries to join us in delivering the agreed 0.7 per cent United Nations target.

Secondly, the enhancement of the quality and effectiveness of our ODA spending is at least as important as the levels of spending. Over the years, the international aid architecture has become increasingly complex. Funding decisions and budget allocations are increasingly linked to performance and accompanied by demands for more transparency and better accountability. Also, we need to limit conditionality to key areas only. This is positive and very much needed, but major challenges remain, as also signalled by the Secretary-General this morning — effective ownership, lower transaction costs and predictability of aid, less bureaucracy and fewer endless rules, regulations and reports. I really call on United Nations agencies to reverse this negative trend of more and more paperwork. What really counts are results on the ground, in the country. The monitoring of results and follow-up of mutual commitments at country level are essential, but this requires, first and foremost, strong leadership and the involvement of parliaments and civil society — that is, the people on the ground. We have to make sure that in Accra, next September, the Paris Declaration can be taken a step further — towards double accountability, and this will require political leadership.

But even more stable and predictable funding is not enough. I will increase the amount of multi-year core funding for United Nations organizations that perform well and, in the near future, for "One United Nations" country programmes. I call on all donor countries to do the same. In this light, I look forward to contributing to the elaboration of principles of good multilateral donorship.

The third challenge concerns trade. Trade and phased integration into the regional and world economies are essential preconditions for economic development and poverty reduction. The poorest countries need to be supported with their integration into the world trade system, but we must allow them to protect their own markets for some time against the sometimes unfair competition that affects vulnerable sectors, the development of rural areas and food security.

Since Monterrey, more challenges have been facing us. Global security issues and climate change place us before new hurdles on our way to MDG realization. We have to re-think our financing mechanisms to stay ahead of these developments. I would, in conclusion, like to share my ideas on these issues with you as food for thought for our discussion.

First, when it comes to climate change, we have to bear in mind that the poorest countries are the main victims of the more extreme weather conditions, droughts and floods. A temperature rise of only two degrees will destroy the coffee sector that is so crucial to Uganda, for instance, a country I visited only a few months ago. I consider this issue to be of great importance to the Monterrey review. How can we improve our responses to climate change? What does it mean for our levels and ways of ODA spending and other financial mechanisms? At the G-8 meeting in Heiligendamm in Germany, some steps were taken in the right direction in terms of seriously considering the goal of 50 per cent fewer emissions by 2050. I hope that at the United Nations climate summit at Bali later this year, we will see this constructive attitude turned into substantive action. But it is also is a matter of restructuring our financial flows, taking new innovative steps and forming public-private partnerships. We cannot do it in the same ways that we have done it up until now. I hope we will be able and willing to answer some of the questions ahead of us in time for our meeting one year from now in Doha, Qatar, on the bases of the polluter pays principle, shared responsibility and additionality.

When it comes to fragile States, we should recognize that the majority of the world's billion people living at the bottom in sheer misery are in these States. Effective assistance to these States is still lacking. There is not enough money, nor is there effective cooperation in multi-donor trust funds or between development, diplomacy and defence. This is unacceptable. I just came back from the Sudan, and I see how much work we still have to do to improve these multi-donor trust funds.

In Doha next year, we will be obliged to show the world that we have not taken our previous promises for granted. New developments and challenges have to be taken into account. Emerging issues, such as innovative finance, new donors, harmonization, South-South cooperation, to mention just a few, need to be carefully studied and selected to be dealt with substantively in Doha.

Sometimes, we are puzzled by the complexity of the matters we discuss. However, complexity must never be an excuse for passivity. The Netherlands, therefore, remains committed to actively participate in and contribute to the financing for development process. We call on everyone to step up their efforts. The world is more and more characterized by political, economic and cultural fault lines. This is no longer acceptable.

The President: I now call on His Excellency Mr. Kwadwo Baah-Wiredu, Minister of Finance and Economic Planning of Ghana.

Mr. Baah-Wiredu (Ghana): It is a privilege for me and my delegation to participate in this important High-level Dialogue on Financing for Development. The theme could not have come at a better time, particularly as we prepare for the Doha conference in 2008.

Ghana aligns itself with the statement delivered by the representative of Pakistan on behalf of the Group of 77 and China.

In the year 2001, world leaders gathered in Monterrey and resolved to address the challenges of financing for development around the world, particularly in developing countries. The goal of the Monterrey Consensus was to eradicate poverty, achieve sustained economic growth and promote sustainable development.

The Consensus is based on the contemporary view that international cooperation for development should be viewed as a partnership between developed and developing countries. Developing countries must accept primary responsibility for their development, including strengthening governance, combating corruption and putting policies and investments in place to drive economic growth and employment, thereby maximizing domestic resources available to fund national development strategies. Developed countries, for their part, are to provide the support that developing countries need, in the form of increased development assistance, development-oriented trade systems, wider and deeper debt relief and increased private financing.

A considerable number of developing countries are making tremendous strides towards achieving the internationally agreed development goals, including the Millennium Development Goals (MDGs). I want to assure the Assembly that Ghana will achieve Goal 1 by the end of 2008. Our efforts have also received encouraging support from development partners, particularly in the area of debt relief, which has seen improvements, especially since 2005.

Despite those achievements, challenges remain. The world is still confronted by acute and increasing social and economic inequalities. Some poor countries, particularly in sub-Saharan Africa, are not likely to achieve the MDGs by 2015. Official development assistance has also declined, despite pledges to the contrary, and developments at the Doha negotiations so far provide little comfort for developing countries.

Permit me now to share with representatives the outcome of the Second African Ministerial Conference on Financing for Development, held in Accra.

In May 2007, the Government of Ghana hosted the Second African Ministerial Conference on Financing for Development. The theme of the Accra conference was “Infrastructure for Growth — the Energy Challenge”. The main focus of the Conference was the energy sector — particularly its financing and its contribution to the growth agenda for meeting the MDGs by 2015.

The outcome of the discussions comprised 15 concrete action points for Governments, international partners and the private sector, aimed at addressing the dual challenge of increasing access to energy for the poor and ensuring the reliable functioning of existing energy infrastructure. Those points include the following. Governments must strengthen planning frameworks to take into account and accelerate the pace of current regional initiatives such as the Inga Dam project in the Democratic Republic of the Congo, regional power pools and gas pipeline projects. International partners must deliver on past promises and pledges for development assistance, and then scale up aid to the energy sector and develop new funding instruments and mechanisms for transboundary energy projects. The private sector must, through financial institutions, develop new financing instruments such as infrastructure bonds. It is important that the action points be implemented by all stakeholders in order to advance the development of the continent.

One sure way in which African countries can finance our development is through fair international trade. It is therefore imperative that all well-meaning countries make the adjustments necessary to make it possible for the current trade talks to be concluded.

Our countries have realized that most of the aid that we receive — be it in the form of loans or grants — is supposed to be tax-exempt. Those exemptions have assumed proportions that have made them unsustainable. In fact, in Ghana they amounted to 3 per cent of our gross domestic product in 2006. There is a need for development partners to review the tax exemption policies incorporated into their aid programmes.

We need to take a long-term view of financing programmes, as Ghana has done with regard to its 2057 budget, which takes into account what could happen over a period of 20 to 50 years.

The increasing significance of emerging donors, such as China and India, in recipient countries means that they are increasingly involved in the development dialogue and in decision-making. Their further involvement would enhance the quality of that dialogue and would contribute to aid harmonization.

We are interested in the carbon credit mechanisms, which would help us to know what is really going on. We are also very happy to point out the need to front-load aid to enable recipient countries to embark on their projects and programmes in a timely manner. We are aiming to achieve the One Laptop Per Child project, designed to bridge the gap between developed countries and developing countries. Ghana is seeking to assemble approximately 5 million personal computers in order to make sure that its schoolchildren have access to them. I hope that we will be supported in that effort.

The President: I now call on His Excellency The Honourable Samuel Mumbengegwi, Minister of Finance of Zimbabwe.

Mr. Mumbengegwi (Zimbabwe): It is a pleasure for me to be here today to share ideas on the important subject of financing for development. My delegation aligns itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China.

The Monterrey Consensus of 2002 launched a new partnership for financing for development, especially the internationally agreed goals, including the Millennium Development Goals (MDGs). The discourse we are having today provides an opportunity for us to assess progress made, recognize obstacles and constraints and identify new challenges, opportunities and emerging issues of concern, particularly to developing countries.

The primary responsibility for national development is vested in national Governments. Zimbabwe, like other developing countries, is making every effort to achieve the MDGs by 2015 and to invest in the crucial areas of agriculture, infrastructure development, health and education. The MDGs have provided us with a framework for putting poverty reduction and human well-being at the centre of our development efforts, and we have made great strides in education and health.

However, rising poverty levels remain a challenge for Zimbabwe, undermining the achievement of the MDGs. Recurrent droughts, the illegal sanctions imposed on our country by some powerful countries and the HIV/AIDS pandemic continue to slow down economic growth in the country. Despite those challenges, the Government has continued to implement turnaround strategies aimed at steering the economy towards sustained economic growth and development.

It is now widely accepted that, without a complementary international effort to finance development in developing countries, the objective of achieving the internationally agreed development goals, including the MDGs, will remain elusive. It was that realization that led Governments and multilateral trade and financial institutions, under the aegis of the United Nations, to commit themselves at Monterrey in 2002 to provide more resources to finance development. The 2005 World Summit reaffirmed the need to take concrete action to accelerate development. The immediate objective of the commitments made there was to reduce poverty, particularly extreme poverty.

Monterrey was able to make the correct diagnosis and identify the constraints that developing countries face in their efforts to eradicate poverty through economic and social development. Five years after Monterrey, the remedies that the international community agreed to undertake have not been fully implemented, thereby preventing the achievement of targets that were set.

It is now apparent that the current official development assistance (ODA) levels fall short of requirements for meeting the targets associated with the Millennium Development Goals (MDGs) and internationally agreed development goals. In this regard, developed countries need to fulfil their promises to meet the target of providing 0.7 per cent of their gross national income as official development assistance to developing countries in the short term. Such assistance needs to be adequate, predictable and continuous in order to have a meaningful impact. In the long term, new and additional resources are required to enable developing countries to continue to fight poverty beyond the MDG target date of 2015.

While we commend those countries that have met and even surpassed the target of 0.7 per cent of their gross national income, we urge those that have not yet done so to continue scaling up aid in order to reach the required level. On the other hand, it is important to analyze the volume of aid and its effectiveness on the ground. Aid earmarked for specific programmes, most of which are not developmental in nature, very often fails to have the desired impact.

Concerted efforts must also be directed towards addressing the problem of the unsustainable external debt faced by a number of developing countries. While we recognize the various initiatives that have been undertaken to reduce the debt burden of a number of developing countries, including the Multilateral Debt Relief Initiative, we are, however, of the view that the process is slow and does not cover all countries. We are also of the view that the real solution to the developing countries debt problem would be full debt cancellation. Additionally, the inclusion of debt relief in aid statistics can be very misleading. The simple fact is that debt relief does not make new resources available for development.

Since development is a process and not an event, we believe that more attention should be paid to addressing the disparities in the global trade regime so as to remove trade barriers. If we act now to remove trade barriers, agricultural subsidies and restrictive rules on intellectual property rights, we will be laying a solid foundation for sustainable development that can lead to the eradication of poverty, particularly the extreme poverty that engulfs millions of people.

The reform of international financial institutions to make them more democratic by allowing developing countries a greater voice and participation in decision-making processes is an issue that remains unresolved. The level of participation of developing countries in decision-making within these institutions does not reflect the numerical strength and influence of developing countries in the global system. It is regrettable that the repeated calls to reform these institutions, including addressing the issue of distribution of voting rights at the International Monetary Fund (IMF), continues to fall on deaf ears.

Zimbabwe is of the view that all aid to developing countries should be unconditional and tailor-made to support the development priorities of the recipient country. In addition, Zimbabwe rejects the use of coercive economic measures as a tool to ensure political compliance with the whims of those countries that perceive themselves to be powerful. Such malicious actions undermine development cooperation and should not be entertained by the international community as it works to increase development and reverse poverty.

Zimbabwe would like to express its confidence in the ability of the United Nations system to coordinate and lead the development efforts of the international community, including through its agencies, funds and programmes. However, these operational activities for development of the United Nations system must earn the confidence of all by maintaining their neutrality and supporting the development policies, priorities, and strategies of Member States. They must also resist the temptation to further donors' ulterior motives in developing countries.

Let me conclude by reiterating that together we have agreed that mobilizing financial resources for development is central to a successful global partnership for development. This High-level Dialogue would therefore be of great value, if it were to infuse urgency to the fulfilment of commitments on financing for development made at Monterrey and the 2005 World Summit, including the establishment of effective mechanisms to measure aid inflows. We must therefore muster the necessary political will to tackle head on the obstacles encountered since Monterrey, with a view to completely removing them, in order to guarantee the success of the follow-up conference to be held in Doha, Qatar next year.

The President: I now give the floor to His Excellency, Mr. Igor Lukšić, Minister of Finance of Montenegro.

Mr. Lukšić (Montenegro): It is my particular pleasure to address this High-level Dialogue on Financing for Development at this important moment for the follow-up to the implementation of the Monterrey Consensus and ahead of the Doha conference in 2008. At the outset, I would like to point out that Montenegro has fully aligned itself with the statement made by the representative of Portugal on behalf of the European Union presidency. Therefore, I will take the opportunity to make a statement in my national capacity by emphasizing a few issues that are of particular importance for Montenegro.

The overall advancement toward the achievement of the internationally agreed Millennium Development Goals in Montenegro has been very positive as it evolves alongside the European Union integration processes. Montenegro signed the Stabilization and Association Agreement on 15 October 2007, thus opening a new chapter not only with regard to the political, but also the economic, market, and fiscal areas of development. This framework will enable us to promote sustainable development and carry out poverty reduction strategies.

In recent years, Montenegro has achieved macroeconomic stability, and the prospect of growth remains strong. Real gross national income growth for the past three years is expected to be an average of seven per cent. Inflation is low at between two and three per cent. There has been a budgetary surplus in the past two years of about four per cent, and the level of public debt is moderate at 35 per cent. We have championed the foreign direct investment (FDI) inflows in our region in the past two years. FDI is an important vehicle for the transfer of knowledge, skills and technology, and for the reduction of poverty, as noted in the Secretary-General's report. Montenegro has recognized that the challenge for developing countries is to increase trade and attract FDI in a way that will maximize its contribution to long-term development and has carried out a comprehensive set of activities to ensure the sustainability of economic growth.

As stated in the World Summit Outcome document, our development is our responsibility. Creating a friendly business environment for domestic and international investments is of utmost importance. A stable macroeconomic environment, market-friendly frameworks, availability of human resources, and a measure of predictability are recognized as crucial to the effective implementation of my country's development strategies as well as for fostering public-private partnerships, improved transparency, and accountability. Montenegro recognizes that it has the primary responsibility to develop adequate administrative capacities, to design and implement development strategies and to set priorities and timelines for their implementation.

Being a small Mediterranean country in the last stage of transition, we understand that infrastructural bottlenecks pose the greatest challenge to stimulating growth and development. Investors know how to allocate resources, but it is up to the Government to commit energy to motivate their decisions on the basis of a solid infrastructure.

I would like to take this opportunity to stress the particular relevance of international financial institutions and their technical support. As a small middle-income country, Montenegro maintains good relations with our international financial institution partners. We therefore welcome the latest decision of the World Bank to cut interest rates. At the same time, we call for the allocation of the net income of international financial institutions be directed towards more technical support for countries, in order to transfer know-how, and address social inequality and global climate change and to help them to prepare infrastructure projects.

To that end, Montenegro commends activities that foster international financial and technical cooperation. We also welcome ongoing efforts at the global level to reach the target of 0.7 per cent of gross national income for official development assistance (ODA) by 2015 and to improve the quality, predictability and effectiveness of ODA.

I believe deeply that this important momentum towards global development will not be lost and that several different initiatives will foster the implementation of the Millennium Development Goals and other internationally agreed development goals. Montenegro also supports an outcome document in the style of a ministerial declaration that would focus on the further implementation of the Monterrey Consensus.

The President: I now give the floor to His Excellency Mr. Tijjani Yahaya Kaura, Minister of State for Foreign Affairs of Nigeria.

Mr. Kaura (Nigeria): Let me start, Sir, by joining other speakers in commending your laudable initiative to convene this very important High-level Dialogue on Financing for Development.

While my delegation associates itself fully with the statement made this morning by the Minister of State for Economic Affairs of Pakistan on behalf of the Group of 77 and China, I wish to reflect on some issues from Nigeria's national perspective.

The most pressing preoccupation of the world community today is how to assist developing countries to achieve internationally agreed development goals, including the Millennium Development Goals (MDGs), in a sustainable and environmentally friendly manner. This High-level Dialogue on Financing for Development is therefore inevitably anchored on that premise.

We thank the Secretary-General for his comprehensive report (A/62/217) and the useful recommendations contained therein. We are worried about the disturbing trend referred to in the report, namely, that in spite of the general improvement in the world economy there are widespread concerns that the fruits of development and growth are not fairly distributed and that, even more disturbing, there seems to be a growing trend towards a higher concentration of income and wealth in a few countries.

This is a wake-up call for the international community to assist developing countries to take appropriate measures to diversify their economies and mobilize domestic, external and other forms of financing to ensure sustainable growth and development. However, the efforts of developing countries will yield the desired results only if they are backed by a massive infusion of foreign direct investment, fair and equitable trade, access to the markets of industrialized countries, decreased subsidies for agriculture by industrialized countries, debt relief and sustainability and improved official development assistance (ODA) — all of which must be tailored to the development aspirations of recipient countries.

In spite of the daunting challenges facing developing countries, Nigeria's economic reforms, as encapsulated in both its first and second national economic empowerment and development strategies, have recorded modest progress in kick-starting the economy and addressing many of its structural defects. In that respect, our strong macroeconomic performance has continued to attract commendation from our development partners, with some analysts even projecting that if the trend continues Nigeria could join the 20 largest world economies by the year 2020. The Government is therefore determined to achieve that.

The statistics are quite encouraging. For instance, from 2002 to 2006 annual gross domestic product (GDP) grew at an average of 6 per cent, with inflation steadily declining to single-digit levels, and external reserves steadily increased to the current level of $47 billion. Furthermore, foreign direct investment flows into the country increased steadily, from about $1 billion in 1999 to about $4.5 billion in 2006.

Interestingly, however, that growth has been driven not just by the oil sector but also, to a lesser extent, by the non-oil sectors of agriculture, manufacturing, telecommunications, banking and finance and wholesale and retail trade. To further diversify the economy, the Government is planning to embark on massive investment in petrochemical plants and the development of enterprise centres and industrial clusters around the country. Nigeria has also succeeded in drastically reducing its external debt, from about $35.9 billion in 2005 to about $3,348,000,000 early this year. In fact, the Government took a deliberate decision to dedicate all proceeds from the Paris Club debt deal to scale up pro-poor programmes and projects.

In spite of those appreciable strides, for Nigeria to consolidate and build a solid economic base it will have to confront and surmount its acute infrastructural deficiencies — especially in the areas of power, water, railways and roads — which are threatening our sustained drive towards economic growth and industrialization. The Government has therefore embarked upon extensive sectoral reforms of its infrastructure and the establishment of legal, regulatory and administrative frameworks conducive to foreign investment. We would welcome massive foreign investment to fund infrastructure development. It is estimated that Nigeria will require between $6 billion and $9 billion annually to fix the facilities it needs to maintain sustained economic growth.

In order to mobilize domestic resources for development, the Government has perfected an effective public-private partnership in line with the assertion contained in the report of the Secretary-General that a robust domestic private sector that is itself investing in its economy will provide a powerful signal to attract productive private investment inflows.

We also believe that for economic growth to be meaningful and sustainable, it has to improve the living conditions of the people.

The Monterrey Consensus emphasized the linkage between trade, development and finance. Most developing countries, including African countries, therefore, view greater access to the markets of developed countries and institutional capacity building to ensure that as the best way to ensure sustainable economic growth that is development-oriented rather than dependant upon aid.

Nevertheless, in order to better attune ODA to Nigeria's development strategies, the Government has developed an official development assistance policy to avoid a situation where a substantial part of a grant is used to pay experts from donor countries.

On the road to Doha, we view the World Trade Organization negotiating areas of agriculture, non-agricultural market access and services as very important. Hence, we are prepared to engage in the ongoing negotiations in a manner that will produce the greatest possible benefits for developing countries.

Finally, we note with deep concern that, while the developing countries are striving, against all odds, to implement their part of the commitments by devising national development strategies, improving governance and creating a macroeconomic climate conducive to growth, trade and investment, our development partners have yet to fulfil all their commitments related to development assistance and financing, trade, technology transfer and other areas of cooperation.

My delegation therefore believes that the time is ripe for the international community to take concerted and time-bound action to ensure the implementation of all the commitments made by our development partners. We hope that the current institutional reforms in the Bretton Woods institutions will go far enough to ensure greater voting rights and representation for developing countries, particularly African countries, in the World Bank and the International Monetary Fund.

The President: I now give the floor to Her Excellency Ms. Sangaré Maimouna Bah, Minister of Health of Guinea.

Ms. Bah (Guinea) (*spoke in French*): Permit me to tell you, Mr. President, how happy we are to see you leading our work. I should also like to congratulate the Secretary-General and the Secretariat on the quality of the documents submitted and on the clarity with which the issues before us are being considered. My delegation fully agrees with the assessments made and the action proposals put forward.

The Republic of Guinea, which is classified among the least developed countries and which faces drastic economic reforms, remains largely dependent on foreign aid for the financing of its development. Sometimes, up to 80 per cent of our public investment is financed by such aid. We are thus very interested in innovative financing methods and aid effectiveness as areas for greater mobilization and rational use of development assistance resources.

To that end, after joining the International Drug Purchase Facility, the Guinean Government plans to do the following. At Conakry in the first quarter of 2008, we will hold a national forum on innovative financing mechanisms and non-governmental cooperation, at which national and external actors can share experiences and coordinate activities. At Conakry, we will also host the fifth plenary meeting of the Pilot Group on Solidarity Contributions for Development. After that, at the Doha Conference planned for December 2008, Guinea will present a common platform, on behalf of the Pilot Group and Africa, on innovative ways to finance official development assistance. With a view to carrying out those activities, the Government requests support from its development partners.

From this rostrum, the Government of the Republic of Guinea would like to reaffirm its support for the objectives of innovative financing and for the implementation mechanisms recommended by the Pilot Group. My delegation welcomes the consensus reached in Seoul at the Pilot Group's third meeting, held on 3 and 4 September 2007. It grants Africa the privilege of holding two successive Pilot Group meetings, to be held at Dakar in March 2008 and at Conakry in October 2008. The Republic of Guinea will collaborate with the Senegalese presidency, the members of the Pilot Group, international organizations, civil society, the diasporas and the business community in preparing for the participation of the Pilot Group and Africa in the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, scheduled for December 2008, six years after the adoption of the Consensus. The Conference will mark a decisive turning point in the international community's commitment to ensuring the financing necessary for the achievement of the Millennium Development Goals by 2015.

My country urges Member States to join the Pilot Group and to participate in those activities. I also take this opportunity to pay a warm tribute to the Group for the dynamism and effectiveness that it has displayed since its establishment.

For the Republic of Guinea, development financing and aid effectiveness mean the following: cancel the debt of the poorest countries; mobilize significant financial and technical resources in the form of subsidies and concessionary loans to build physical infrastructure, provide sufficient support to growth sectors, strengthen institutions and promote human resources; develop complementarity in the subregional environment and promote regional economic integration, while fostering the ideals of peace, security and stability, which are prerequisites for development; create new forms of partnership, better suited to the options of liberalization between public and private actors, bringing together communities, civil society and non-governmental organizations; combat corruption and improve good-governance practices; and establish a fruitful long-term dialogue between Guinea and its development partners.

Finally, my delegation reaffirms its full support for, and its entire willingness to cooperate in, the process now under way. We are convinced that that support is justified by what is at stake. Development financing should be made universal, given the immense possibilities that it offers to the international community.

The President: I now give the floor to Her Excellency Mrs. Patricia Orantes, Planning and Programming Secretary of the Presidency, Guatemala.

Mrs. Orantes (Guatemala) (*spoke in Spanish*): Guatemala is grateful for the convening of this High-level Dialogue, which is an essential mechanism for following up on the Monterrey Consensus and preparing for the intergovernmental Conference to be held at Doha. We reaffirm our commitment to making the best use of the most cost-effective mechanisms for following up on the Consensus, including the Annual Ministerial Review and the Development Cooperation Forum, recently established within the Economic and Social Council.

My delegation associates itself with the statements made on behalf of the Group of 77 and China, the Rio Group and the Pilot Group on Solidarity Contributions for Development. We would like to make a few additional comments from a national perspective.

We wish to take this opportunity to emphasize that Guatemala considers the Monterrey Conference to have been among the most successful gatherings in United Nations history in the area of development for all. It raised awareness throughout the world about the critical role of international cooperation as a complement to national efforts, and that has had an impact. Thanks to the Monterrey Conference, the trends in areas such as official development assistance, debt relief and access to private capital markets have been reversed. Monterrey also led to better coordination between the United Nations and the Bretton Woods institutions, which we welcome. The great unresolved task, as we are aware, is the Doha Round.

We also wish to reaffirm that Guatemala attaches importance to the participation of civil society and the private sector in the regular follow-up to the Conference carried out at the hearings held with representatives of those groups on 11 and 22 October. Those mechanisms, if well-managed, have the potential to strengthen the legitimacy and effectiveness of this kind of dialogue.

Guatemala has entered its second decade following the signing of the Peace Agreements. The period has been characterized by a strengthening of the executive branch's leadership in aligning international cooperation with public policies, guided by the principles of shared responsibilities and mutual accountability. We have also seen an improvement in mutual confidence based on transparency and the achievement of results through successful national mechanisms such as the External Cooperation Cabinet and the group for dialogue between the Government and the international community. The time for disorganized international cooperation and unilateral conditionality's is behind us.

Allow me, on behalf of the Guatemalan people and its Government, to express our thanks for the central role played by foreign assistance, both political and financial, in bringing about peace and enabling the implementation of the commitments made by the State, through the mobilization of approximately $3.4 billion over the past decade.

Today our Peace Agreements have become a legacy promoting South-South cooperation among developing countries. They have without question constituted a turning point in our mobilization of internal and external financial resources. Work is still pending on a fiscal pact on important areas such as equity in the distribution of the tax burden. Today Guatemala is the Central American country that allocates the highest percentage of its budget to social investments, and, in a period of 11 years, has doubled the percentage of its gross domestic product destined to social policies.

That national effort means that today we can expect to achieve the majority, if not all, of the Millennium Development Goals. That will be possible if, and only if, we permanently strengthen and maintain continuity in our policies, our democratic institutions, democratic security in the Central American region and the growing presence of Central American countries, through their voice and vote, in international decisions that affect us.

The strengthening of the Government's leading role vis-à-vis international cooperation and other actors, the development of State policies and the slow but sustained development of our democratic institutions have made it possible to solidify our macroeconomic indicators and attain higher rates of growth in competitiveness and country-risk indicators and in foreign direct investment. As a result, we have achieved our highest rates of economic growth and exports in 20 years.

Nevertheless, Guatemala now faces the challenge of translating those successful midterm indicators into better distribution patterns and into an aggressive and sustained reduction of poverty, inequality and social marginalization. At the same time, those achievements reflect the importance for middle-income countries of setting clear national rules, in order to advance substantively towards our goals.

In that context, international trade has a central role to play for countries like Guatemala, linking the most dynamic global markets to the increased competitiveness of our export products, particularly products from rural economies. In the case of Guatemala, that includes the majority of our population, which is indigenous and has historically been marginalized.

The complexity of the international negotiations carried out within the context of the World Trade Organization, in which the interests of developed countries have been advanced and the crucial interests of developing countries have not, have led us to intensify negotiations on free trade agreements, bilaterally and with groups of like-minded countries. That has yielded mixed results for developing countries, pitting the rules of the multilateral World Trade Organization system against the preferential system of free-trade agreements and creating a complex web of agreements, each with its own administrative machinery, which overwhelms the capacities of our countries to negotiate and implement agreements.

The entry into force of innovative mechanisms for international cooperation also has a central role in advancing the ongoing development agendas of countries like Guatemala. In that regard, we wish to highlight and express our thanks for the leadership and the vision of the United Nations system, through the Economic and Social Council, and of the Government of Spain, whose strategic alliance has allowed us to frame the question of the so-called middle-income countries in relation to international cooperation. This new space and agenda for international dialogue strengthens us on the political level and allows us to re-energize the international debate on financing for development.

During the preparatory process leading to the Monterrey Conference, Guatemala participated actively and in a constructive manner as a member of the bureau of the Preparatory Committee. On our way to Doha, we wish to contribute once again, and on this occasion we offer Guatemala as the host of the regional consultations that will contribute the vision of the Group of Latin American and Caribbean States to the 2008 Doha Conference.

The President: I now give the floor to His Excellency Mr. Samuel R. Insanally, Minister for Foreign Affairs of Guyana and former President of the General Assembly.

Mr. Insanally (Guyana): Coming as it does in the immediate aftermath of the International Monetary Fund and World Bank meeting in Washington, D.C., this High-level Dialogue on Financing for Development offers us another welcome opportunity to revisit the Monterrey Consensus and to see how it has been implemented thus far and what more needs to be done to ensure further progress.

Certainly, Monterrey was an important milestone in the search for greater and more predictable financing to satisfy the needs of global development. However, from all indications, the record of accomplishments since Monterrey is a mixed one. Recent reports point to some improvement in per capita income in various parts of the world. However, the apparently growing trend towards a higher concentration of income and wealth may yet signal increasing global inequalities and the further marginalization of the poor.

Given these challenges, the continued failure of donor countries to honour the commitments they made at Monterrey and other major United Nations conferences and summits, as well as in the Paris Declaration on Aid Effectiveness, risks jeopardizing the international development agenda. It is imperative that the recent reduction in official development assistance (ODA) be reversed and that levels be raised urgently to meet the established, internationally agreed target of 0.7 per cent of gross national income. ODA flows also need be directed to key priority areas that will optimize their development impact.

One such area is the promotion of investment in agriculture and rural development. Such investment is critical to ensure food security, especially in this new age of biofuel production. Without it, global efforts to reduce poverty and hunger by 2015 will be severely undermined.

Guyana welcomes the recently published *World Development Report 2008*, which calls attention to the importance of agriculture in the achievement of the Millennium Development Goals (MDGs) and the promotion of sustainable development. As the report observes, while 75 per cent of the world’s poor live in rural areas in developing countries, a mere 4 per cent of official development assistance (ODA) goes to agriculture. It further notes that growth in gross domestic product (GDP) originating in agriculture is about four times more effective in raising the incomes of extremely poor people than GDP growth originating outside the sector. A key goal of future efforts in financing for development should therefore be to increase the levels of investment in the promotion of agricultural development and food security.

Earlier this month, Guyana was honoured to host the Commonwealth Finance Ministers Meeting. From discussions at the Meeting emerged the recognition that the effects of global warming and climate change have serious negative implications for the growth and development of small States and for other environmentally vulnerable developing economies. From this rostrum, I reiterate the call made by Commonwealth finance ministers for global efforts to mobilize financial resources to support those countries through common frameworks.

To ensure sustainable development, increased resource flows must go hand in hand with greater coherence in global economic, trade and environment policies. The effects of the lack of coherence are all too evident for small countries such as my own, and others in the Caribbean that have recently witnessed the precipitous dismantlement of preferential sugar and trade regimes without adequate transitional arrangements. Significant new and additional resources will be needed to modernize our productive sectors so that our countries can compete in the global economy.

As we look forward to next year’s Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, which is to be held in Doha, we are reminded that the development promise of the Doha Round of trade negotiations has yet to be fulfilled. This new road to Doha offers us all another chance to ensure that mechanisms are put in place to deliver on the pledge to place development at the centre of the international trade agenda. The special challenges of small States must be fully addressed within that framework.

Let me end by recalling a most important question that, as I recall, was posed at Monterrey. That question is, How do we ensure that the commitments made by our development partners are effectively honoured? The question, I believe, remains as relevant today as it was then; for, as experience has shown, many in the international community are very long on promises but short on delivery. The lesson we must learn is that, in as much as recipient countries are subject to conditionality's for financing, so too must donor countries be accountable for the fulfilment of promises made. It is time that a monitoring mechanism be introduced to assess the implementation of the Monterrey Consensus and to ensure that it is kept firmly on track. We simply cannot afford to let the Consensus wither and die.

The President: I now give the floor to Her Excellency Ms. Maguy Durcé, Minister of Trade and Industry of Haiti.

Ms. Durcé (Haiti) (*spoke in French*): On behalf of the Government and the people of Haiti, the delegation that I have the honour to head in my capacity as Minister of Trade and Industry would like very warmly to congratulate you, Mr. President, on having convened this international High-level Dialogue on Financing for Development. I would also very sincerely like to thank the Secretary-General for his report (A/62/217). The information contained in the report will guide and inspire our upcoming deliberations as we seek to identify ways that will hopefully allow us to permanently reverse the current unfavourable trend between now and the Doha meeting and beyond.

This High-level Dialogue is taking place at a very opportune time. I am certain that the relevant discussions and exchanges that will take place here will lead us towards appropriate avenues to evaluate financing for development when we review the implementation of the Monterrey Consensus at Doha, Qatar, in 2008.

In that regard, Haiti associates itself with the statement made this morning by the representative of Pakistan on behalf of the Group of 77 and China.

The Republic of Haiti is more committed than ever to the process under way aimed at achieving the Millennium Development Goals (MDGs), which were agreed by world leaders in 2000. Nevertheless, as a least developed country, our people suffer terribly from the current competitive economic environment. Likewise, major current international imbalances exclude our countries from the opportunities produced by globalization, foreclosing any possibility of short-term prosperity.

We would like to affirm that any effort to increase productivity also requires active solidarity conducive to security and social harmony in the most vulnerable countries. In order to achieve that, it is necessary to identify an appropriate formula than can reduce the inequalities resulting from a low level of individual development in communities mired by all sorts of hardships. That is an essential step to launching a comprehensive approach to economic and business relations through the adoption of innovative partnership agreements.

The presence and full participation at this meeting of high-level representatives from the international financial institutions makes this gathering the ideal framework to consider the steps so eagerly awaited by all the citizens of the world, whom we all have a responsibility to protect and serve through public policies that generate hopes for sustainable development guided by an approach which allows for increasingly greater access to basic goods and social services, so as to preserve the dignity of men and women without distinction or discrimination.

I therefore heartily appeal to the Bretton Woods institutions and, more generally, to all our development partners to give all due attention to the report of the Secretary-General, which evaluates the shortcomings with regard to the commitments undertaken in the Monterrey Consensus. The report notes the difference that exists among the members of the Development Assistance Committee when it comes to the pledge to increase assistance made at Monterrey in 2000. Although some have honoured their commitments, others have not. The result is that official development assistance (ODA) dropped by 5.1 per cent in 2006. The commitment to devote 0.7 per cent of gross national income (GNI) to ODA that Committee members agreed to — with 0.2 per cent of that going to least developed countries — is far from being achieved. All of these efforts and all of our energies have to be oriented towards the mobilization of all possible sources of financing in order to rise to the sustainable development challenge in the twenty-first century, for our own benefit and for emerging and future generations.

My delegation extends its firm support for the Declaration on innovative sources of financing for development, which was issued by the Pilot Group on Solidarity Contributions for Development, for which France has the permanent secretariat and which is chaired by Senegal. My country also welcomes the other sponsors of the initiative, Brazil and Norway, in particular, to mention only those two.

Despite our uncomfortable situation of being the only least developed country in the region of the Americas and the Caribbean, the Republic of Haiti nonetheless managed to attain macroeconomic stabilization. The low level of national savings has not enabled our population to understand, much less to appreciate, this remarkable effort undertaken by the Haitian Government, which is today fighting resolutely against corruption and illicit trafficking in drugs. This is an expression of the political will displayed by President René Préval and Prime Minister Jacques Édouard Alexis at the head of the Government of Openness currently in place, in which I have the honour of being a part, as a representative of a political coalition that was in competition with the President in the last elections. That said, it is nevertheless true that the current political will and administrative rigour ensure a calm socio-political climate that is favourable to stability.

It is also clear that the country, relying only on its own resources, will find it very difficult to generate growth and to eradicate poverty. The trade and industry sector in the new fiscal year 2007-2008 has decided to intensify the promotion of micro-units for production and service, which are supported by financial credits extended to them on a priority basis, producing both for domestic consumption and for export sale. This strategy was selected in response to political and institutional trends, at both the national and regional levels, with regard to the expansion of small units of production. The final result expected is the broadening of the tax base. In addition, the Government has started rehabilitating the road system, and a centre for facilitating investment has been established. The investment code has been revised in order to attract direct investment. Public-private partnership has been institutionalized. All of this shows that Haiti is on the right track towards its goal of economic development.

We think that international trade can be the driving force for sustainable development. We therefore expect that the multilateral negotiations of the Doha Round and trade assistance activities will provide a real regime where our products will have access to external markets, free of tariffs and lead to the elimination of certain barriers and trade practices that are detrimental to trade. Today, assigning blame or denouncing practices are not the best method. Rich and poor, we all have the responsibility to create the conditions for the betterment of all in peace and security. We want to do this, we have to do this, and I hope that we will be able to do this.

The President: I now give the floor to His Excellency The Honourable Zhivargo Laing, Minister of State for Finance of the Bahamas.

Mr. Laing (Bahamas): I extend warm greetings to this Assembly from the Government and the people of the Commonwealth of the Bahamas. I commend the United Nations for convening this important meeting, representing another follow-up to the original meeting that gave rise to the consensus agreed by heads of State and Government in Monterrey, Mexico in 2002.

The Bahamas welcomes the opportunity to participate in this year's High-level Dialogue. It is our hope that this meeting will allow us to move beyond dialogue with its follow-up reports and papers and meetings to actually realize the results of the six leading policy actions adopted by the heads of State at that first meeting in Monterrey. Stated plainly, it is our hope that we actually, first, mobilize domestic financial resources for development; secondly, mobilize international resources for development; thirdly, achieve development by using international trade as an engine; fourthly, increase international and technical co-operation for development; fifthly, deal with the external debt plight of developing countries; and, sixthly, address systemic issues, enhancing coherence and consistency of the international monetary, financial and trading systems to support development.

If we do these things, the meeting to be held in Doha in the second half of 2008 will take on new meaning, real meaning. If the deliberations here and during next year's Special High-level meeting of the Economic and Social Council produce real progress, we will enable our heads of State at the review conference to take critical decisions leading to genuine progress in addressing the international economic and financial systemic imbalances that now plague our world.

I must note that of the six policy actions highlighted at Monterrey, all of which are important, the Bahamas identifies most closely with three of them: first, mobilizing domestic financial resources; secondly, mobilizing international resources, especially foreign direct investment; and, thirdly, increasing international and technical cooperation for development.

The experience of the Bahamas is replete with the rewards of focusing on these three elements. While we do not have wealth-producing natural resources, such as oil, carbon, gold or diamonds, we do have our people. By using domestic finances to invest in the education, health and socialization of our people, we have been able to establish a comparative advantage in a number of international service sectors.

Similarly, by laying a solid foundation for the rule of law with its attendant protection of private property rights combined with sound macroeconomic policies and a commitment to democratic ideals that foster an enduring political stability, we have been able to mobilize billions of dollars in inward foreign direct investment that has catalyzed our nation’s growth and development for more than half a century.

It is our firm belief that developing countries like ours must continuously focus on these fundamentals in pursuit of their further development. Indeed, we further believe that increased international and technical cooperation by the international development institutions in pursuit of mobilizing domestic financial and international resources is the most critical need that exists for developing countries already enjoying some gains owing to the sustained expansion in the global economy and most especially for those that have not been so fortunate.

Over the past fifteen years, we have witnessed a restoration and expansion of the Bahamian economy made possible by national investments in our economic and social infrastructure, the improvement of strategic policy frameworks and national accounting systems, and the bolstering of our legislative framework in the fight against corruption, money laundering and terrorism. Over the next five years, the Government of the Bahamas intends to continue on this path by introducing sound policies to increase employment, entrepreneurship and local ownership in the economy; creating balanced economic growth across the archipelago; increasing investments in our social infrastructure, and safeguarding our environment and heritage for future and present generations.

The Bahamas has also embraced the opportunities presented by globalization by seeking to participate in the international economic, financial and trading systems in our efforts to achieve sustainable development. However, we continue to face daunting challenges posed by our small size and its attendant vulnerabilities.

Furthermore, our attempts to build resilience are constrained at times by global governance and systemic imbalances, which frustrate meaningful integration into the global economy. In this regard, the Bahamas reiterates the need for further consideration of these issues for all developing countries within the framework of the Monterrey process.

Mr. Hannesson (Iceland), Vice-President, took the Chair

The issue of reform of global economic governance to strengthen the voice and participation of developing countries in international economic decision-making and norm-setting is of critical importance to the Bahamas. There is a definite need for more concrete, realistic steps to ensure the effective, permanent representation of developing countries, particularly small developing countries, in international economic, trade and financial institutions.

I have only just recently attended the Commonwealth Ministers of Finance and International Monetary Fund (IMF)-World Bank meetings. I am pleased to note that in each of these forums there is consensus on the need to move in this direction. The Bahamas acknowledges the ongoing efforts to introduce balance and equilibrium into the processes that govern several international institutions. We welcome the 2006 resolution adopted by the IMF Board of Governors on Quota and Voice Reform, as well as the launching of the World Bank’s process on governance reform, and look forward to continued work in that regard.

Ultimately, we seek to elevate the plight of the peoples of our world. We want to create an environment in which children in every village and hamlet, county and city can realize his or her potential. For that to happen, resources, domestic and international, must be mobilized and properly managed in pursuit of sound development. Far too many of our countries struggle to achieve this, whether for historic reasons or because of the exigencies of prevailing circumstances. This much we in the Bahamas believe is true: there exist national and international resources to change the situation. It seems now more than ever before that sufficient international resolve exists to make this possible.

It is for these reasons that the Bahamas values the Monterrey process and the mandate to address systemic issues such as these. In this context and in the absence of a formal governance structure, we urge a greater role for the United Nations in these aspects of global standard setting and assessment. The case of the small developing country must be addressed in the context of a process that is fair, equitable, objective, open and inclusive. This can only be realized in a forum where the rules of international law are observed, and we look forward to continued dialogue in this regard.

The Acting President: I now give the floor to Her Excellency Mrs. Cristina Duarte, Minister of Finance and Public Administration of Cape Verde.

Mrs. Duarte (Cape Verde): Cape Verde highly appreciates this opportunity to take part in this High-level Dialogue that marks a turning point towards the diminishing time frame for the achievement of the Millennium Development Goals (MDGs). I believe that all of us here are convinced that to achieve the MDGs, the donor community must honour and even go beyond its commitments on trade and debt relief and increase its official development assistance (ODA).

Despite improvements in the world economy, with developing countries generally registering growth in their per capita gross domestic products, improving their macroeconomic management and contributing to the decline of inflation and government deficits, their inefficient financial sectors, coupled with insufficient international support, remain as core challenges towards a strong base of sustainable development.

Despite the trend towards increasing ODA since the adoption of the Monterrey Consensus, the level of ODA declined last year. Moreover, the disproportionate distribution of ODA, which unfairly concentrates on particular regions or countries, raises our concern over the resultant unfair distribution of the fruits of development and growth. This therefore undermines the achievement of the MDGs by some regions.

In Cape Verde, despite its being a small, insular State lacking natural resources, we firmly believe that good governance, better macroeconomic policy and fiscal management, increased transparency and accountability of the public sector are fundamental for emerging from poverty and achieving sustainable development, together with fair international trade and financial systems and the firm good will of international stakeholders with respect to their agreed commitments.

Cape Verde is working vigorously to respond to national development needs in a more confident and innovative manner. Since our independence in 1975, we have initiated a campaign against hunger and poverty and integrated it into our strategic plan for development. The challenge, indeed, lies in the ability to ensure adequate and predictable resources to support economic, social and environmental projects, as well as the ability to invest in infrastructures for sustainable development.

As a candidate for graduation from the list of least developed countries, Cape Verde, now more than ever, needs both quantitative and qualitative development assistance support from the donor community in order to succeed with its development.

We commend donor countries for all their commitments and efforts to double their aid assistance and technical capacity-building support to developing countries, in particular those that have already met the official target of 0.7 per cent. We call on those that have not yet fulfilled their commitments to do so.

The positive initiative in the area of debt relief and cancellation that allows developing countries, in particular the heavily indebted poor countries, to divert more of their scarce resources for development purposes should be extended to middle-income countries in need. The Intergovernmental Conference on Middle-Income Countries, held in Madrid in March 2007, and the follow-up meeting held in El Salvador in October 2007 called on the international community to support these countries in their efforts.

The Government of Cape Verde is responsible for its own development process, for which we have undertaken profound reform in major areas of governance such as the judicial, economic and financial sectors. Accordingly, as a key priority, we have set up an economic environment capable of attracting foreign direct investment. However, it is essential that we supplement that with technical assistance and innovative public and private partnerships in order to strengthen access to financing for small- and medium-sized enterprises.

The focus on good governance, secured by the principles of accountability and transparency, is the pillar of the Cape Verdean Government's approach to achieving the Millennium Development Goals (MDGs). To this end, the Government has undertaken the arduous process of reform in different sectors, both public and private, which has anchored growth reaching 10.8 per cent in 2006 and an average of 7 per cent from 2004 to 2007, in line with the level of growth established in the Poverty Reduction Strategy, to contribute to the achievement of the MDGs.

The contribution of this growth to the reduction of poverty is illustrated in the latest Basic Indicator of the Well-Being of Cape Verdean Society. Allow me to provide the Assembly with some figures. The literacy rate in my country has reached 79 per cent. Access to health services in less than 30 minutes has reached 74 per cent. Access to elementary education — a school at less than 15 minutes from dwellings — has reached 70 per cent.

The consequences of this relatively good performance cannot be harmful to Cape Verde; the donor community must remain engaged in the Cape Verdean quest for development and reduction of poverty. Much vulnerability still persists. The graduation of Cape Verde from the Group of Least Developed Countries must not be taken as an indication that Cape Verde does not need the support of its multilateral and bilateral partners, because that could lead to the undoing of all the results that have been achieved.

Moreover, lacking the capacity to build trade, developing countries, especially the least developed countries, should make their trade commitments carefully, according to their level of development and their need to retain the ability to implement the development policy that is most appropriate and most desirable. In addition, developed countries should support access by handicapped developing countries to world markets in this ever more globalized environment. It is important to eliminate export subsidies, which would lead to substantial reduction in trade-distorting measures, and aid for trade should be an essential complement to trade liberalization so that international competitiveness may be attained.

It is imperative to reform the architecture of the international financial system, in which the voice of the least heard and most in need is not given due consideration. Developing countries should be included in decision-making processes, and it is critical to ensure that standards and codes are mutually consistent, while being flexible enough to be effectively applied in both advanced and less advanced financial systems.

To sum up, only collective efforts and responses could better resolve our common problem and challenge — the eradication of hunger, poverty, diseases and the effects of climate change. Only a strong global partnership and cooperation at all levels could bring the achievement of the MDGs to the fruition to which we all are committed. We look forward to both the Doha Conference on Financing for Development to be held in Qatar, and to the third High-level Forum on Aid Effectiveness, to be held at Accra in 2008, which will provide us with an opportunity for making further progress.

I thank the Secretary-General for the comprehensive reports submitted under this agenda item and the President for gathering us in such an important dialogue.

The Acting President: I now give the floor to His Excellency Senator Edgardo Angara of the Philippines.

Mr. Angara (Philippines): On behalf of the Government of the Philippines, we welcome this important conference in preparation for the review of the Monterrey Consensus next year.

The Philippines fully associates itself with the statement made by Pakistan on behalf of the Group of 77 and China.

We commend the Secretary-General's report on the implementation of the Monterrey Consensus (A/62/217), its urgent call for donor countries to meet their aid commitments and its emphasis on domestic resource mobilization and South-South cooperation.

As the Secretary-General's report highlights, while there has been an increase in official development assistance (ODA) since the Monterrey Consensus, ODA flows have been marked by selectivity and uncertainty. There are many low-income countries that receive very little aid, but few countries have experienced surges in aid flows. ODA to the Philippines, for instance, has steadily decreased for the past seven years. From $13.3 billion in 2000, ODA decreased by 29 per cent to $9.5 billion in 2006. Nevertheless, in the first quarter of 2007, the country's gross national income grew at a record high of 6.9 per cent, the highest since 1999, outperforming other Asian economies in the neighbourhood.

Market interest rates are dropping, enabling the acceleration of bank lending activities and stimulating investment. Inflation is on the downtrend, registering 2.2 per cent in March 2007, the lowest in two decades. The peso, our currency, is appreciating, brought about by strong dollar inflows from portfolio and foreign direct investments. Strong export earnings and overseas workers' remittances have likewise contributed to a robust currency and to the building up of our international reserves. Employment has reached an average of over 91 per cent for the last three years, compared to 89.7 per cent in the past six years. The budget deficit has been decreasing, having gone from $4.8 billion in 2002 to $1.5 billion in 2006, and will further decline $1.4 billion this year.

These economic gains are primarily accounted for by our own bootstrap efforts to raise domestic revenues through fiscal and financial reforms. With strong macroeconomic fundamentals in place, we initiated policy reforms through legislation on mobilizing domestic resources and strengthening the capital markets.

But we cannot afford to be complacent. We have to sustain this accelerating growth and improve our competitiveness. More importantly, we have to translate our financial gains into larger investments, more jobs, increased incomes and reduced poverty rates.

Thus, we are investing in social services, particularly health and education, infrastructure and good governance, specifically, anti-corruption measures. The Government's top priority is education. We are working towards meeting the second Millennium Development Goal (MDG) — to ensure that all boys and girls complete a full course of primary education. We support the Basic Education Madrasah for Muslim Mindanao and promote science, technology and engineering.

In health, MDG 5, maternal mortality reduction, is our flagship programme. Child mortality is declining, but we continue to ensure that immunization coverage is universal.

To improve our infrastructure, we will invest $37.8 billion over the next three years in power and electricity programmes, as well as in roads, bridges, railways, air and water transport. Sustained benefits from our efforts in education, health and infrastructure, as with other aspects of the development agenda, will depend on good governance and anti-corruption efforts.

Our economic performance has given us opportunities to deepen our growth. But we face challenges to which we need to respond. Consistent with the report of the Secretary-General, the Philippines will continue to improve the incomes and savings that provide the domestic resource base to finance human, social and physical investments. We will also work on more equitable sharing of wealth and income through reforms in access to financial resources, housing and social services.

We will increase foreign exchange earnings capacity through diversification and improvement of our exports, as well as by attracting quality foreign investments, while mobilizing external development assistance from the domestic business sector and civil society in public-private and global partnerships and expanding the use of instruments such as debt for development or debt for nature swaps.

Furthermore, we will implement budget reform initiatives by shifting the focus of the budget process from inputs to results and by promoting transparency and accountability.

However, we urge the United Nations and the international financial institutions and developed countries to continue to uphold the principles of the Paris Declaration, which would do away with tied aid and donor-driven projects such as those we continue to witness in the Philippines; to re-visit the concept of debt sustainability and change this from the traditional capacity to pay to the concept of preventing debt payments from hindering countries from meeting their MDGs; and to support South-South cooperation in partnership with emerging economies and developed countries. Lastly, and this we urge very strongly: that multilateral agencies, in coordination with donor countries, increase ODA commitments to developing countries that sign and ratify the United Nations Convention Against Corruption.

We hope to see the principles of the Paris Declaration upheld at least until our review of the Monterrey Consensus in Doha next year.

The Acting President: I now call on His Excellency Mr. José Camargo, Deputy Minister for Public Investments and External Finances of Bolivia.

Mr. Camargo (Bolivia) (*spoke in Spanish*): Bolivia expresses its recognition and thanks the United Nations for this High-level Dialogue on Financing for Development. Bolivia, on 22 January 2006, under the presidency of Evo Morales Ayma, initiated a profound transformation of our State, reorienting development and focusing it towards a comprehensive, intercultural and diversified democratization of the economy. This transformation finds its conceptual and strategic basis in the National Development Plan and in the firm wish that development should benefit the poorest and most marginalized sectors of society, as well as the native peoples.

This plan is based on the concept of living well, part of our native and indigenous cultures, which have a vision of the universe that go beyond the traditional forms of development. Living well represents a call for the humanization of development, in the sense of recognizing that cultural diversity makes possible social responsibility and duty in public administration. Development thus becomes a collective decision-making process, and social action is an agent, not just a vessel for guidelines given from on high.

Bolivia aims to create a decent, productive, democratic, unified and sovereign State as a prerequisite for building a new community-based socio-economic model, in which the State and the market complement one another and public and private Bolivian companies work together with foreign companies in domestic and foreign markets.

In this sense, The National Development Plan conceives economic growth as a process of consolidation, reinforcement and interaction among identities; as the articulation of networks of exchange and intercultural interaction; as the stimulation of forms of community and of living together and as the creation of mechanisms and institutional frameworks for the protection, respect and promotion of diversity and rights in the productive process.

In line with the declaration of the position of the Rio Group, which recognizes that each country is responsible for its own economic and social development, and in this context, the members of the Rio Group in general, and Bolivia in particular, have drawn up this development policy and strategy in their National Development Plan. In this context, foreign trade and the relationship with the international community are fundamental pillars of this development plan and form the core of a sovereign Bolivia. This strategy requires that international financial organizations, countries and governments that cooperate with Bolivia be our allies in this objective.

On the other hand, developed and industrialized countries are potential markets for Bolivian products. If they open access to their markets, facilitate trade and lift restrictions, that would lead to the diversification of our production and technology, so we could move beyond being a country that exports only raw materials. Providing increased value to our raw materials is the basic premise of the core of the Bolivian plan of production.

Bolivia, a country with vast and diverse natural, ecological, cultural and human riches, in proof of its level-headedness, wishes to provide guarantees foreign investment, in so far as this investment respects and observes the decisions made by an honourable and sovereign State.

Over the past three years, Bolivia has modified the pattern of resources for financing its development. We are now emphasizing more internal resources over those coming from international, multilateral and bilateral cooperation, whether such resources are reimbursable or not. We would thus like to draw the attention of the international community to the fact that Bolivia, in spite of the fact that we are going through a good economic period, still needs international cooperation if our development is to be sustainable.

For Bolivia, the Monterrey Consensus was, beyond any doubt, a significant step forward in addressing problems of financing for development. Although there was an increase in the percentage of official development assistance, there is no doubt that a great deal still remains to be done before we can achieve our objectives. Bolivia therefore believes that we must continue our efforts to improve the follow-up machinery to implement the Monterrey Consensus, bearing in mind the forthcoming Doha Conference. In this context, Bolivia believes that it is important to promote further reform of the world financial system, endowing it with greater social awareness and effective participation by all countries in international financing organizations. Also, it is necessary that we remove barriers and subsidies that distort trade, because there are still inequalities that harm developing countries. Those are the challenges that will impel us to display a high level of political will at Doha.

Finally, Bolivia aligns itself with the statement made by the representative of Pakistan on behalf of the Group of 77 and China and with the statement to be made by the representative of Chile on behalf of the Rio Group.

The Acting President: I now give the floor to His Excellency Mr. Talaat Abdel Malek, Deputy Minister for International Cooperation of Egypt.

Mr. Abdel Malek (Egypt) (*spoke in Arabic*): At the outset, I would like to express my appreciation to the President of the General Assembly for convening this High-level Dialogue and to express Egypt's support for the statements made by the representative of Benin on behalf of the African Group and by the representative of Pakistan on behalf of the Group of 77 and China.

Over the past few years, we have witnessed numerous meetings and conferences on development issues. However, progress in addressing these international issues cannot be achieved without strong national and international political will. In recent years, developing countries have made great progress along the path to political, economic and social reform. This, in turn, imposes parallel obligations on developed countries to fulfil their commitments, which include the following.

First, an enabling international environment should be created that complements the national capacity-building efforts of developing countries in the various fields of development, including the enhancement of human resources, and that provide adequate space for these countries to maintain a balance between their international commitments and their national policies.

Secondly, the scope and fields of foreign direct investment should be expanded in the greatest possible number of developing countries, and technical assistance by the international community should be intensified to support the efforts of developing countries to enact rules and laws for foreign investment and to encourage investment in infrastructure. It is also important to intensify international cooperation that would support increased capital flows between the countries of the South, within the framework of South-South cooperation, including trilateral cooperation.

Thirdly, we should take on serious steps to achieve a breakthrough in the Doha Round of trade negotiations, with its development objectives. Egypt also calls for the intensification of trade-related international technical assistance directed towards developing countries in the service sector, in the light of the projected increase of that sector's share in the overall volume of international trade.

Fourthly, the developed countries should fulfil their pledges to devote 0.7 per cent of their gross national income to official development assistance. The Paris Declaration on Aid Effectiveness has not yet been implemented properly. An international mechanism is needed to monitor the effective fulfilment of those international pledges, along with funding for the development activities of the United Nations. We welcome international efforts to find new sources of financing for development. We also welcome individual initiatives to combat poverty, such as those of the private sector and people like Bill Gates, Warren Buffet, Ted Turner and others.

Fifthly, innovative ways to deal with the servicing of foreign debt are needed. Let me refer here to the debt initiative which has been successfully implemented in Egypt. I should also note the slow pace of implementing the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative for the least developed countries and the fact that these two initiatives do not include the debts of middle income countries. We recommend the establishment of an international mechanism that would include all debtors to deal with debt in an integrated and institutional manner, governed by rules not subject to conditionalities, and that would give developing countries a better chance to borrow on international financial markets.

Sixthly, reform of the global financial and monetary system, should be expedited. To do this, three things are needed: first, increased participation by developing countries in international economic decision-making; secondly, adequate controls to accommodate international fluctuations and crises in order not to repeat recent events in the mortgage and real estate markets in the United States; and thirdly, the development of international financing services in a way that is consonant with the increasing needs of middle-income countries.

As a middle-income country, Egypt has achieved progress in many areas of reform through the development of tax and customs laws, reform of investment regulations and the creation of a positive and attractive environment for investments, in cooperation with the World Bank and other international and regional financial institutions. We have also reformed the banking sector and accelerated the process of privatization. This has placed Egypt at the top among developing countries in the field of institutional economic reform, according to the World Bank's Doing Business project. It also accounts for Egypt's high rank among emerging markets in attracting foreign investment, which has been in the range of over $10 billion during the first 10 months of this year. Furthermore, studies indicate that Egypt is on track to achieve the Millennium Development Goals.

Building a new international consensus requires strong United Nations leadership in order to formulate and implement post-2015 development goals particularly in the light of new development challenges that require concerted international efforts. These include the women's empowerment, children's rights, the transborder spread of disease, addressing the phenomenon of climate change, improving education and training in order to provide suitable opportunities for decent work and dealing with the phenomenon of migration and its related issues in both recipient countries and countries of origin.

Hence, we must come out of this meeting with the political will to strengthen the United Nations development role so that the Organization can adapt to the growing international development agenda in the economic and social fields. During the coming period, the delegation of Egypt will present specific proposals aimed at strengthening the implementation of the Monterrey Consensus.

The Acting President: I now give the floor to His Excellency Mr. Sergei Storchak, Deputy Minister of Finance of the Russian Federation.

Mr. Storchak (Russian Federation) (*spoke in Russian*): I would like to take this opportunity to share with you the position of the Russian delegation on financing for development and the implementation of the decisions of the International Conference on Financing for Development.

The recent acceleration in the economic development of a large number of developing countries is a unique phenomenon. The rate of economic growth of middle- and low-income countries during the past five years is 5 per cent annually on average. Never in the history of mankind have such large sections of the population had the opportunity to overcome poverty. If we manage to maintain current trends and ensure stable development, the world will be a completely different place in just a few decades — and not over the course of centuries, as has been the case in the past.

In that connection, we view the meeting in Doha as one of the key events aimed at ensuring practical implementation of the principle of global partnership for development. It is our understanding that the conference will analyse the progress made by all parties in the implementation of the Monterrey agreements, reaffirm the main objectives in the field of financing for development, identify the bottlenecks in the implementation of the post-Monterrey agenda and develop measures to overcome them.

We believe that the upcoming conference should affirm the importance of steps undertaken at the national level to mobilize domestic resources as the basis for ensuring economic growth and eradicating poverty. The conference is also called upon to formulate the proposals of the international community on enhancing the efficiency of recipient countries' own efforts. In that context, we believe that the conference in Doha should take note of the steps being undertaken by a number of financial institutions, primarily the World Bank, and by some donor countries to assist the recipient countries in the elaboration and implementation of large infrastructure projects and should call on other donors to step up efforts in this field. Attention to those matters has significantly flagged recently.

In our opinion, the upcoming meeting should also focus on innovative approaches to mobilizing resources for development, such as the International Finance Facility for Immunization, advance market commitments on vaccines and others. We need to analyse the advantages and shortcomings of such mechanisms and evaluate the prospects for their future dissemination. Another theme for discussion is the implementation of the intermediate results of other major international initiatives in the field of development assistance, for example, the Multilateral Debt Relief Initiative for the poorest countries, the implementation of which is not proceeding as smoothly as we would hope.

Another agenda item of the Doha conference could be a discussion of the increasing role of the so-called new donors in providing development assistance. Of course, new and traditional donors should be united in promoting the achievement of the Millennium Development Goals and ensuring sustainable global development. But it should be clearly understood that the expansion of the donor community not only opens new prospects, but also gives rise to specific challenges requiring the attention of the international community, such as the coordination and harmonization of donor efforts and the need to avoid increasing the debt burden of recipient countries. We are ready to prepare for the debate on those issues, drawing on the outcomes of the discussion held during the Russian presidency of the G8 on the role of new donors in the international donor community.

We fully subscribe to the principles of global partnership stipulated, in particular, in the Millennium Declaration and the Monterrey Consensus and intend to increase our contribution to the common efforts in the field of international development assistance.

In recent years, the Russian Federation has been actively assisting such international processes. The federal budget allocates funds to assist the poorest countries of the world through participation in the programmes and initiatives implemented by multilateral organizations, cancellation of debt on a bilateral basis, provision of humanitarian assistance and the implementation of Russian initiatives presented during the Russian presidency of the G8. Additionally, Russia is stepping up its participation in international forums on issues related to the effectiveness of development assistance.

The volume of Russian assistance is growing gradually, and, even without taking into account the cancellation of debt, it will amount to $210 million in 2007. Furthermore, in the course of its G8 presidency, Russia undertook additional obligations totalling approximately $600 million to finance, in the course of the four to five coming years, initiatives in the fields of fighting infections diseases, education and overcoming energy poverty in developing countries.

In order to put Russian activity over the past 10 years in the area of international development assistance on a systematic basis, a scheme for the Participation of the Russian Federation in International Development Assistance was prepared and approved in June 2007 by the President of the Russian Federation. The adoption of the scheme, which outlines the basic principles, goals, objectives and guidelines of this work, has become an important step in establishing an effective development assistance mechanism in the Russian Federation. In the preparation of the document, due account was taken of the guidelines and recommendations of the international community and of the Monterrey Consensus and the Paris Declaration on Aid Effectiveness. The document will ensure a systemic approach to the activities of Russian agencies, create an effective system for providing development assistance and help achieve the required economic and social effect in the countries that receive Russian assistance.

In conclusion, I would like to reaffirm our adherence to the commitments made in the field of financing for development, and I express the hope that the Doha conference will become a turning point in poverty eradication and achieving the Millennium Development Goals.

The Acting President: I now give the floor to Her Excellency Ms. Anne Stenhammer, State Secretary of International Development of Norway.

Ms. Stenhammer (Norway): While Norway attaches great importance to all six core areas of the Monterrey Consensus, today I would like to share with you some thoughts on the need for good governance, with a particular focus on the gender aspect. I would also like to highlight the need for increased development assistance and coherence between donors, and between providers of aid and their partner countries.

As we all know, but seldom emphasize, good governance is more than formal democracy and sound macroeconomic management. Those are fundamental ingredients, but they do little for social and sustainable economic development and poverty reduction, unless they are supplemented by other, more specific measures. I would like to mention three such measures.

First, a strong, transparent, and non-corrupt State is absolutely vital. That requires political will and the right attitude among national elites, including the will to impose taxes to pay for a sound public sector, with appropriate pay for public officials in strong, accountable government institutions.

Secondly, an active and ambitious policy not only towards entrepreneurship, investment and growth, but also as regards fair distribution and equal opportunities for all is necessary. While taxation and the provision of public services are important, experience from many countries shows that the single most important factor in fighting poverty is the provision of decent work. Job creation, opportunities for promotion and the protection of workers' rights are all vital in that respect.

Thirdly, there must be a proactive policy to promote the rights and opportunities of one half of every country's population: its women. Good governance is not possible unless gender equality is made an explicit goal. As Norway's experience shows, promoting gender equality is a matter of human rights and also makes very good economic sense.

Women have the primary responsibility for unpaid housework and care-related tasks. We need to acknowledge both the part played by women and their potential as economic actors that benefit society in general.

Financing for gender equality and the empowerment of women is the main theme for the 2008 session of the United Nations Commission on the Status of Women. We need to keep that key aspect of development in mind in the broader financing for development agenda.

For a number of years, Norway has been exceeding the development assistance target rate of 0.7 per cent of gross national income. In 2008, we plan to achieve a rate of 0.98 per cent. Our aim is to increase that to 1 per cent by 2010 and exceed that figure in the future. Priority has been given, and will continue to be given, to funding development in the least developed countries.

Norway actively supports the achievement of the Millennium Development Goals and is giving special priority to Goals 4 and 5, which aim at reducing child mortality and improving maternal health. The fight against AIDS, malaria and the other diseases, Goal 6, is also a priority. Norway has pledged $1 billion for the vaccination of children in developing countries between 2000 and 2015.

We appreciate the strong emphasis placed on the Paris Declaration on Aid Effectiveness in the report of the Secretary-General.

Finally, we welcome the various initiatives that have been taken in relation to policy coherence, including the recent collaboration between the International Labour Organization and the World Trade Organization on the important link between trade and employment. That is a significant breakthrough as regards ensuring better and more coherent governance at the global level.

The Acting President: I now call on His Excellency Mr. Ib Petersen, State Secretary for Foreign Affairs of Denmark.

Mr. Petersen (Denmark): Allow me to start by associating myself with the statement made by the representative of Portugal on behalf of the European Union.

Five years ago in Monterrey, a compact was forged between rich and poor countries in support of the objectives contained in the Millennium Declaration. Developing countries reaffirmed their undertakings to pursue the Millennium Development Goals, and donor countries their commitments to support those efforts.

This year, we have reached the halfway point towards 2015. The good news is that all major regions are on track to reducing the proportion of people living in extreme poverty by 2015 to below the 1990 rate. That is, all regions but one are on track: in Sub-Saharan Africa, renewed efforts must be made in the years to come.

On the negative side, overall progress is too slow. The message is therefore clear: developing countries and donor countries alike must step up their efforts. The upcoming Doha conference in 2008 will be an important rallying point in that respect.

Denmark is one of only five countries that have reached — and surpassed — the international agreed target of 0.7 percent of gross domestic product as official development assistance (ODA). As the

Assembly is aware, the European Union has agreed on an ambitious ODA timetable to reach 0.7 in 2015 and set new ambitious targets for assistance to Africa. Denmark looks forward to welcoming European Union colleagues and others to the group of "point seven" countries. We hope that even more donor countries will be joining the group in the future.

Increased ODA is but one aspect of our efforts, however. The need to further improve the quality of aid, not least by strengthening the alignment and harmonization of aid in line with the commitments undertaken in the Paris Declaration, remains important. The upcoming meeting in Accra next year is important in that respect.

Focus on international support and the need to strengthen ODA, quantitatively as well as qualitatively, should not overshadow the point made by the European Union presidency and agreed in Monterrey, namely, that every country has the primary responsibility for its own development and that good governance, sound policies and sound national development strategies remain at the centre of any successful effort to attain pro-poor economic growth and eradicate poverty. Key elements remain: strengthening governance, combating corruption, redirecting government revenues, increasing domestic savings, and — not least — furthering private sector development and entrepreneurship.

Denmark is a strong supporter of the Millennium Development Goals (MDGs) and believes that the time has come for a United Nations summit focusing on progress in the attainment of those goals.

One important stepping stone towards the eradication of poverty and the fulfilment of the interlinked MDGs is the achievement of gender equality and the empowerment of women. Denmark therefore intends to put special emphasis on Goal 3, on gender equality. We especially want to focus on women's economic empowerment, as this should be at the core of the efforts to combat poverty.

That is, unfortunately, still not the case. In many countries, efforts in that regard are still much too weak to unleash the full potential of women as entrepreneurs and drivers of economic development. It is widely documented that women do not have equal access to financial resources and to land, and there are other more indirectly discriminating barriers for women's active participation in formal economic activity. That inefficient use of human resources cannot be afforded, if countries are to achieve the MDGs.

In an effort to raise awareness and create new momentum with regard to the economic empowerment of women, the Danish Government will establish a high-level international network and a series of activities in 2008 under the heading "Women Mean Business". The idea is that the network would be very much representative of all regions in the world.

I would also like to highlight the major challenge of climate change, for which financing is a very crucial element of our common efforts. The Intergovernmental Panel on Climate Change has documented that global warming continues to increase and is taking place far quicker than previously thought. The consequences of this will be dramatic and irreversible, and climate change will affect the poorest and the weakest the most, despite the fact that the poorest developing countries have contributed least to the problem.

Countries have very different capacities to act. There is a need to give a strong helping hand to the poorest countries, enabling them to adapt to climate change and to access technologies that will help prevent further warming. Global warming must not undermine the global fight against poverty.

We must base our joint efforts on the notion of common but differentiated responsibilities. Adaptation to and mitigation of climate change is expensive, but it is more expensive to ignore the problem. The challenge of climate change is a development challenge. Increased ODA is necessary, and we need to think of innovative ways in which public financing can catalyse other sources of financing, such as private investments.

We must deal with the challenge of climate change on a global level. Denmark is pleased that it will host the United Nations Climate Change Conference — the fifteenth Conference of Parties to the Convention — in December 2009. We will, among other things, work to ensure that consideration for the poorest countries' interests will play an important role in a new agreement. Our common ambition should be very high. We must reach consensus on an effective and multilateral post-Kyoto agreement. The Climate Change Conference in Copenhagen is our last chance if the agreement is to enter into force by 2012.

There is no doubt that in order to achieve the MDGs, not only at the global level, but also in sub-Saharan Africa, we need to do more and do it faster. The Monterrey Consensus made this a joint undertaking. Developing countries must pursue sound policies that can make the goals attainable, and donor countries must support those efforts through increased ODA and through their clear commitment to the Paris Declaration on Aid Effectiveness.

There is solid ground to build on, but it will take a common and determined effort in a number of areas, including climate change and the empowerment of women, to make sure that, come 2015, we will have reached the goals we set out to achieve.

The Acting President: I now give the floor to Her Excellency the Baroness Shriti Vadera, Development Minister of the United Kingdom of Great Britain and Northern Ireland.

Baroness Vadera (United Kingdom): The United Kingdom agrees with the statement made by my Portuguese colleague on behalf of the European Union. I especially welcome the acknowledgement of the importance of women's economic empowerment to tackle poverty.

The United Nations is the world's most legitimate and important forum in which to discuss our shared interests, but I welcome this High-level Dialogue to consider our shared promises. Five years ago, the world came together in Monterrey, Mexico, to make those promises. We reached a consensus between rich and poor, to achieve sustainable development, the Millennium Development Goals (MDGs) and the internationally agreed development goals. Donor countries promised to increase their aid. Developing countries promised to improve governance, domestic resource mobilization and the conditions for investment, economic growth and long-term prosperity for all.

The year 2005 was a landmark year for financing for development. At the World Summit here in New York, the G8 summit in Gleneagles, the European Union summit and in the Paris Declaration on Aid Effectiveness, we reaffirmed the commitments of Monterrey and set ourselves specific targets for increased aid. It is now time to deliver on those promises.

I am proud that the United Kingdom is meeting its commitments. Since 1997, we have trebled our official development assistance (ODA) levels, which are now historically higher than at any other time in our history. In 2006, we became the world's second largest donor, supporting countries around the world to achieve their goals. We pay tribute to the results our partner countries are achieving in improving health and education outcomes and increasing growth, using our resources and their own.

On 10 October, the Government of the United Kingdom announced that by 2010-2011 our ODA will increase to 0.56 per cent of gross national income, equivalent to $18 billion per annum. We will therefore deliver on the commitments we made at the United Nations, the European Union and Gleneagles, including to double our aid to Africa. We are on track to increase ODA to 0.7 per cent of gross national income by 2013, two years ahead of the European Union target.

We are pleased that the underlying trend of global aid is on the rise. The exceptionally high levels of debt relief in 2005 mean that global ODA fell in 2006 and 2007. We should not let that technical decrease be used by sceptics to obfuscate the underlying 30 per cent increase of aid since Monterrey in 2002. Nevertheless, despite that trend, we know that collectively, as a global donor community, we need to keep our promises and redouble our efforts.

All donors face budgetary pressures and competing domestic priorities. But we know that if we have the political will, there are solutions, including many innovative financing ideas that have been proposed and developed, such as the International Finance Facility for Immunization and the International Drug Purchase Facility, using air passenger levies.

As the Secretary-General said two weeks ago, we need urgent concerted action because we know that nearly all the MDGs are globally off-track, and that some countries are falling far behind, especially in Africa.

I welcome this important High-level Dialogue as a key stepping stone to getting ourselves back on track. I agree with those who say we do not need more commitments, studies or reports; we need delivery. In the words of the President of the General Assembly of this morning, time is running out. As my Prime Minister, Gordon Brown, said in July in New York, we face a development emergency that needs emergency action. We must work together, one community with a common aim.

The United Kingdom therefore agrees with the three proposals of the Millennium Development Goals Africa Steering Group of the Secretary-General.

First, effective instruments for health, education, agriculture, food security, infrastructure and statistical systems are needed. We are already working with others in the International Health Partnership for donors and health agencies to coordinate and support country-owned health plans for the creation of permanent health systems. We have a Fast Track Initiative to provide every child with a quality education. But more needs to be done.

Secondly, the Steering Group emphasized long-term predictable aid. That is an absolute priority, in order to enable our partner countries to plan to build effective and permanent systems to reach the MDGs. Without knowing if teachers can be paid, you cannot build an education system; without knowing if the health system will be funded, you cannot train health workers; without long-term financing, there can be no commitment to infrastructure.

Thirdly, we need donor coordination, pulling our separate projects together into one coherent programme and supporting the strategies of our partner Governments. Our efforts and initiatives should not compete and detract from one another but be greater than the sum of their parts.

The one lesson we have learned is that aid delivers long-term impact only when it is led by partner countries. I want to commend the paper by the World Bank on “Country-based scaling up”, which was discussed this weekend at the World Bank Group/International Monetary Fund annual meetings. I also want to acknowledge the leadership of my Dutch and Swedish colleagues in developing the Results and Resources Partnership process for scaling up in 2008, which we, the World Bank and others support.

While aid is necessary to most developing countries, in no country is it sufficient to meet the development goals. We commend the aspiration of partner countries for growth and economic self sufficiency — an aspiration that donors have not always supported and paid as much attention to as they should have. Without growth, sustainable human development is a largely theoretical proposition.

But here, too, we have an obligation. No country has reduced poverty in the past 30 years without also increasing trade. We must therefore deliver on the promise of the Doha trade round. We need a good deal for poor countries, and we need it now. There is nothing to gain by delaying agreement any further. In addition to creating fair trade rules, we need to equip countries to compete effectively and integrate into the global marketplace. Delivering on aid for trade is therefore an essential element of financing for development.

In addition, we must not ignore climate change. The impact of climate change is felt disproportionately by low-emissions poor countries. Rather than facing the threats we fear, they are living the daily reality of water shortages, crop failures, floods and diseases. In 2005, in the United Kingdom, civil society created a campaign for Gleneagles called “Make Poverty History”. Unless we tackle climate change and assist poor countries in adapting to its impact, we will not just fail to meet development goals, we will instead ensure that poverty becomes the future. Climate change is about more than development. It is about justice.

To achieve a truly collective effort, we need the leadership that only the United Nations can provide. That is why our Prime Minister has urged the Secretary-General to convene a United Nations meeting during 2008 in the run-up to the Doha Conference on Financing for Development, so that heads of Government can come together to accelerate action towards our goals. It would create a rallying point for the world, bringing together the private sector, civil society, non-governmental organizations and faith groups in a call to action that would urge Governments to act before it is too late.

I am grateful for the opportunity to participate in this High-level Dialogue and to hear the important statements made by others. I hope this Dialogue will be the stepping stone to a special rallying meeting at the United Nations in 2008, to a successful financing for development Conference in Doha and, beyond that, to achieving our targets, year on year, as we reach 2015.

The Acting President: I now give the floor to His Excellency Mr. Rahmat Waluyanto, Senior Deputy Minister of Finance of Indonesia.

Mr. Waluyanto: The Indonesian delegation welcomes the convening of this High-level Dialogue of the General Assembly on Financing for Development and commends the President of the Assembly for this initiative. I also take this opportunity to associate myself with the statement delivered by the representative of Pakistan on behalf of the Group of 77 and China.

Indonesia has always placed high importance on the attainment of the Millennium Development Goals (MDGs). My President has reiterated twice in this Hall that practical efforts to alleviate poverty must be promoted and that developing countries must move forward with the ready support of developed countries in a spirit of global partnership.

Yet the report of the Secretary-General (A/62/217) suggests that although progress has been made in the implementation of the Monterrey Consensus, much more needs to be done so that most developing countries can escape the vicious cycle of poverty, lack of productive capacity, supply-side constraints and vulnerability to external economic and financial shocks. Lack of capacity in managing external debt also continues to weigh down fiscal efforts, and the threat of a debt crisis remains prevalent. Trade, as one of the engines of growth, has also yet to play its inherent role of alleviating poverty.

If we are truly committed to attaining the MDGs within the specified time frame, more commitments need to be implemented. We cannot expect to continue looking into the past to attain better results. We must look within to generate the necessary development, so that the international community can truly engage us in a global partnership.

The essence of the Monterrey Consensus is to promote international cooperation and partnership in order to mobilize resources for development. That global partnership, although the responsibility of developing States, inherently requires the full support of developed countries and the international community to establish sustainable financing for development.

In order to attain that, efforts must be invested in continuously developing domestic capacities to generate the necessary resources to finance development. Until now, those resources have been focused on mobilizing domestic savings and attracting private capital inflows. We have learned that to effectively implement that practice, we must foster the establishment of a sound institutional framework that supports domestic economic policies. Only through the establishment of stable macroeconomic policy can we hope to provide market confidence and attract foreign direct investment. Along those lines, we must strive to create a regulatory policy design that is both transparent and consistent, including a reliable legal framework to foster a favourable investment climate.

One of the potential ways to generate our own resources for development is to empower the domestic bond market. Through the use of a fully operational bond market, countries can be provided with more funds to finance their development programmes, while also supporting the Government with flexibility, better planning capacity and improved accountability. We stress the importance of a sound capital market as an alternative source of financing for the real sector, and also for the Government budget. By the same token, countries must remain vigilant in their fiscal resilience and must ensure the sustainability of utilizing those means.

In order to build a workable domestic bond market, we need to cooperate together. Developing countries need support from developed countries to improve governance regulation, which will generate market confidence, and to build capital market infrastructure and transparency. In that regard, it is necessary that attention be given to the development of the Government bond market in a comprehensive manner that would later support the development of a domestic bond market as an alternative source of financing for development, along with the traditional sources through the banking sector and international or foreign loans. Consequently, developing countries also need assistance in building a clear legal framework, providing the certainty of law, in order to resolve disputes and facilitate cross-border trading.

As global trade and financial links intensify, growth in one economy will have an impact on others. Accordingly, it will be in the interest of individual economies to foster the economic stability and prosperity of others. Ignoring that would result in a greater risk of spill-over economic effects. We must therefore galvanize effort to minimize the risk of recurring systemic crises by developing early warning systems, improving communication for effective policy formulation, preparing adequate resources and generating broad support to assist affected countries.

We also emphasize our concern regarding climate change, which poses a real threat and a present danger, not only to sustainable development, but to our very existence. We call for the international community to support developing countries in addressing the threat. With this issue now becoming more of a concern for ministers of finance and economic development, Indonesia will host a high-level event on climate change for finance ministers, the first of its kind, in December 2007. We believe that that meeting will be a good opportunity for those ministers to play an important role in the issue of climate change through the formulation of relevant policies in areas such as fiscal policy, risk management, insurance, finance policy and the power to direct the flow of funds and investments.

To conclude, Indonesia is very confident that pertinent elements produced by this Dialogue will add value in the discussion to come. Hence, the summary of this meeting should be fully considered by the upcoming Economic and Social Council Development Cooperation Forum and by the International Conference on Financing for Development, to be held in Doha, Qatar, as a key milestone to promote coherency in implementing international policies on financing for development.

The Acting President: I now give the floor to His Excellency Mr. László Várkonyi, State Secretary for Foreign Affairs of Hungary.

Mr. Várkonyi (Hungary): Please allow me to express Hungary's appreciation to the President of the General Assembly for organizing this High-level Dialogue. We welcome and support the report of the Secretary-General on financing for development (A/62/217), and it is a pleasure for me to participate in such an important event.

I would like to voice strong support for the realization of the Millennium Development Goals (MDGs). Development is for the benefit of all humankind; therefore, as far as our possibilities permit, we are strongly committed to offering increasing financial support to the developing world. As a member of the international donor community, we share the principles adopted in Monterrey in 2002.

The Government of Hungary has been making efforts in order to increase the volume of aid offered to the developing world. In 2006, Hungary reached the level of 0.13 per cent of its gross national income (GNI) for official development assistance (ODA), thus, making a significant stride towards the individual 0.17 per cent target for 2010.

However, let me emphasize that increasing the amount of development funds will not by itself result in reaching the Millennium Development Goals. First and foremost, it is necessary to use these amounts effectively — and effectiveness must be visible in both donor and partner countries. In this regard, special attention must be paid to donor coordination and to policy coherence for development. Moreover, we must also bear in mind that adjusting enlarged assistance to the specific and realistic needs of partner countries is of crucial importance. The appropriate adjustment of resources is key to their adequate utilization.

Another important issue is the fact that the key to successful development lies within the developing countries themselves. The international donor community can be successful only through the progress of these developing countries. Having gone through its own transition process, Hungary is ready to offer its experience to all developing countries committed to implementing good governance.

Stability of trade based on predictable multilateral rules and regulations is the engine of economic growth. Besides the role and importance of traditional North-South commercial relations, we also deem significant the ever increasing South-South commerce. A number of studies have supported the importance of trade among developing countries and the advantages gained from the reduction of tariff and non-tariff trade barriers. We are convinced that trade liberalization can play a vital role in poverty reduction and in attaining economic growth in the least developing countries and in countries with small and fragile economies.

However, granting opportunities for market access alone is not sufficient for those countries to integrate into the world economy. Assistance in building adequate production capacities and commercial infrastructure is, therefore, necessary and strongly recommended. In Hungary's view, the Aid for Trade initiative serves this very cause and, by granting resources to the developing countries, facilitates the adaptation process generated by liberalization.

As a member of the European Union, we also have strong commitments and obligations in the area of trade liberalization. Together with other member States, we are taking part in the initiative of increasing by €1 billion the volume of trade-related assistance offered to developing countries. In order to achieve this target, Hungary intends to allocate a significant sum from our 2008 budget for development. I would like to confirm that we are planning to apply this assistance in two forms: by donating to multilateral funds and by undertaking bilateral programmes.

I also would like to draw the Assembly's attention to the report on the status of the achievement of the MDGs in 2007. The *Millennium Development Goals Report 2007* stresses that a lot more has to be done, especially in sub-Saharan Africa. Therefore, Hungary, along with other donor countries, will increase its development focus on the least developed countries of Africa.

Finally, I wish to reiterate the role of international cooperation. Common responsibility and joint action are fundamental in order to reach our goals in the developing world. I strongly hope that together we will succeed.

The Acting President: I now give the floor to His Excellency The Honourable Tjikero Tweya, Deputy Minister of Finance of Namibia.

Mr. Tweya (Namibia): I am grateful for the opportunity to participate in this very important forum, which gives us the chance to assess, as well as to share with one another, our experience. At the outset, Namibia wishes to put on record our support for the statement delivered by the State Minister for Economic Affairs of Pakistan on behalf of the Group of 77 and China. We appreciate the wonderful work of the Secretary-General in producing several comprehensive reports for this High-level Dialogue on the theme of "The Monterrey Consensus: status of implementation and tasks ahead".

During the International Conference on Financing for Development, six main themes were identified: mobilization of domestic financial resources for development; mobilization of international resources for development; international trade as an engine for development; increasing international financial and technical cooperation for development; external debt; and addressing systemic issues.

With regard to the mobilization of domestic resources, Namibia has achieved macroeconomic stability characterized by, among other things, a relatively low rate of inflation, which currently stands at 6.7 per cent. This has resulted in economic growth of 4.6 per cent in 2006, which, though commendable, is far short of the 7 per cent required for the achievement of the Millennium Development Goals by 2015 and our own long-term national development plan, called Vision 2030.

Furthermore, for the second consecutive year since our independence in 1990, we were able to record a surplus in the 2007-2008 fiscal year, following the trend set by the 2006-2007 fiscal year. Our revenue collection has also improved in recent years. These policies, coupled with investment in infrastructure and social services, have also contributed significantly to poverty reduction.

In our context, the poor are those who are unable to afford the minimum basic necessities of life, while the extreme poor are those households that spend 80 per cent or more of their income on food. These have been reduced from 9 per cent in 1993 to 3.9 per cent in 2004, a reduction of about 55 per cent. The Government of Namibia has set itself the target of reducing extreme poverty by 2012, ahead of the deadline for the achievement of the Millennium Development Goals (MDGs).

Foreign direct investment has been coming in very slowly, despite deliberate policies that include freedom for investors to repatriate their profits to their countries of origin and a number of tax incentives. Moreover, the economic growth has been without a commensurate rate of job creation.

On the question of international trade as an engine for development, as identified in Monterrey, Namibia has experienced some increase in trade in some commodities, notably in minerals and agricultural products. However, we are still experiencing a trade deficit whereby our exports are still low compared to imports. Furthermore, we have yet to succeed in providing our experts with value addition and technological content. In that regard, the impasse in the Doha Development Round of trade negotiations and the accompanying insufficient funding and slow pace in implementation of the Aid for Trade initiative have dampened our hopes of addressing supply-side constraints much sooner. Trade-distorting agricultural subsidies by developed countries also make it difficult for our products to compete in developed markets.

International financial and technical cooperation for development has continued to decline steadily in my country, from $110 per capita at independence in

1990 to a mere $60 per capita in 2005. In addition, the number of bilateral development partners active in Namibia has declined, from 22 in 1990 to 17 in 2006, and there are indications that another three might be leaving the country during 2008. That continuous decline in ODA may in the long run have negative effects on our efforts to fight poverty and to achieve the MDGs.

Limited capacity for service delivery is also one of the basic obstacles to economic growth and development in Namibia. Capacity-building requirements encompass both human and institutional resources, including for research and development, and systems in the area of enabling policies. In addition, there is a mismatch in the labour market between demand for and supply of labour, which is one of the main reasons for rising unemployment in the country. In an effort to address that mismatch, the Government has launched the Education and Training Sector Improvement Programme, which is a strategic plan to increase the service delivery in the education sector.

The international community can support our efforts with financial and technical assistance to meet our human resource requirements. If we had the choice, we would prefer budgetary support, as it offers flexibility in the allocation of resources and predictability of available resources. To that end, we note with appreciation the recent positive announcement by the Bretton Woods institutions that mechanisms would be put in place to address the development needs of middle-income developing countries, such as my country.

Namibia's public debt remains relatively low and is expected to decline below the Government's fiscal target of 25 per cent of GDP in the 2007-2008 fiscal year. That is due to fiscal prudence, which has allowed us to live within our means. However, unless the international community comes up with a programme specifically targeted at addressing the needs of middle-income developing countries, the gains we have achieved so far may be reversed in the long run. Investment in infrastructure and social services, which is a prerequisite for poverty reduction, requires substantial resources. In that regard, ODA and concessional loans will significantly contribute to our efforts to avoid unsustainable debt.

In conclusion, we hope that this Dialogue sets the stage for the review conference on the implementation of the Monterrey Consensus in Doha next year. We look forward to that conference which in our view should look into what has been achieved and needs to be done to make improvements where there are shortcomings and, especially, should come up with a common understanding of what constitutes ODA in order to avoid any future misunderstanding. We do not think that debt relief should be included in the concept of ODA. However, if it is included for any reason, then it should be accounted for separately. Debt relief does not represent additional resource flows into developing countries, even though it stems outflows. Another challenge that the review conference should address is the lack of implementation of the commitments made. Most of the commitments have hardly been translated into concrete actions; that is a major challenge.

The review conference should also deliberate on how the international community could support the development efforts of middle-income developing countries, whose needs have so far not been addressed within the context of the United Nations. The conference therefore should further assess why there has been no significant upward movement within the ranks of middle-income developing countries.

The Acting President: I now give the floor to His Excellency Mr. Cyril Chami, Deputy Minister for Foreign Affairs and International Cooperation of the United Republic of Tanzania.

Mr. Chami (United Republic of Tanzania): As may be recalled, the International Conference on Financing for Development which took place in Mexico in 2002 led to the adoption of the Monterrey Consensus. Similarly, financing for development was once again high on the agenda at the World Summit held in Johannesburg in 2003. At each occasion, the Heads of State or Government reaffirmed the need for strengthening partnerships for sustainable development with a special emphasis on Africa.

The outcome of the Summit of the Group of Eight (G8) held at Gleneagles in July 2005 was yet again a significant forum for review of the Monterrey Consensus. The meeting focused on how to accelerate the achievement of the Millennium Development Goals (MDGs) by 2015. Today, we are halfway there and the progress in Africa has had mixed results.

In tandem with those international milestones and other initiatives, Tanzania has taken various measures to implement its national and international obligations by formulating and implementing policies and programmes. The National Vision 2025 for mainland Tanzania and Vision 2020 for Zanzibar, both adopted before the Monterrey Consensus, aim at attaining improved livelihood, peace, stability and national unity, good governance and a well-educated and learned society committed to development. Those measures also set the direction for a competitive economy capable of producing sustainable growth and shared benefits.

The two visions anticipate Tanzania's graduation from a least developed to a middle-income country, the elimination of abject poverty and the maintenance of a high economic growth rate of at least 8 per cent per annum. More recently, and consistent with the MDGs, the National Strategy for Growth and Reduction of Poverty was created as a second national organizing framework to put the focus on poverty reduction high on the country's development agenda. It communicates the visions and is aimed at achieving the MDGs of internationally agreed targets by 2015.

In tracking the implementation of the MDGs, Tanzania was one of the first countries to produce an MDG document in 2001. The 2005 report had an encouraging story for many indicators. For instance, in primary education enrolment we are ahead of schedule for achieving the target. With respect to secondary and higher education, we have witnessed a steady increase in secondary and tertiary institutions under public and private initiatives. Likewise, in gender parity in education enrolment and political representation, there has been significant progress.

There are, however, areas of mixed results. For instance, in health targets — HIV/AIDS and malaria — we are still lagging behind. We also are not doing so well with the maternal mortality rate, but we are determined to scale up interventions in that area. We are doing well in infant mortality rate and we are in the range of meeting that MDG target by 2015. We are also making good progress in building health facilities across the country and supplying clean water in rural areas.

While we are working towards meeting our commitments to the internationally agreed obligations of good governance, macroeconomic reforms and mobilization of domestic resources, challenges still persist. Those include, among others, inadequate energy, poor education and health facilities, undeveloped physical and soft infrastructure and the marauding HIV/AIDS pandemic. In order to meet the MDGs and other internationally agreed development goal benchmarks by 2015, we need to put out more efforts in the remaining period.

On the domestic front, we intend to increase momentum in implementing our commitments to meet the MDGs and the internationally agreed development goals. For example, in our national budget this year we have committed a substantial amount of the allocation of the national budget to education and the development of infrastructure with the intention of opening productive areas in the hinterlands, as well as addressing the systemic problems related to transport bottlenecks. We are grateful to our development partners and both the bilateral and multilateral donor community for supporting our development objectives and for improving quality and directing assistance. The support will greatly contribute to the efforts in addressing the MDG targets.

The implementation of ongoing economic reforms in the country has yielded substantial economic growth as demonstrated by good macroeconomic performance over the past five years, whereby real GDP has been growing at an annual average rate of 6 per cent, well above the sub-Saharan average during the period. The achievements have been grounded on a sound macroeconomic policy framework, institutionalization of regulatory framework, progress on structural reforms and substantial private sector involvement.

Despite that progress, the issue of the unsustainable debt burden continues to be a serious drawback to Tanzania's development efforts despite debt relief provided under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative, as well as additional bilateral relief.

More negotiations are ongoing to further reduce the debt burden. However, various studies show that the debt obligation will never be met in the foreseeable future because of the technicalities involved. It is obvious that if the international community is serious about reducing poverty, the solution for the least developed countries — including Tanzania — is to cancel the overall multilateral debt in order to release the resources for poverty reduction and development. For their part, the developing countries should accelerate domestic resources mobilization.

International trade is a tool for development and is directly linked to it. The Tanzanian economy is still diversifying its exports in order to meet unfolding market opportunities. Those efforts are linked to the Government's commitment to providing quality education commensurate with the modern economy and infrastructure that supports economic activities. The continuation of economic growth beyond 6 per cent and economic diversification will provide impetus to growth in our exports. On international trade practices, we need to conclude the World Trade Organization negotiations in order to address the existing constraints of market access which affect us.

Let me conclude by stating that the issues of financing for development need new impetus now and not later, in order to resuscitate the good intentions of Monterrey.

My delegation and I are optimistic that the deliberations of this high-level meeting will send the right signals to the forthcoming Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha. We hope that the Conference will provide a valuable opportunity to make progress towards an agreement on a comprehensive and effective approach to meet the resource requirements for the development of developing countries.

The Acting President: I now give the floor to His Excellency Mr. Park In-kook, Deputy Minister for International Organizations and Global Issues of the Ministry for Foreign Affairs of the Republic of Korea.

Mr. Park In-Kook (Republic of Korea): This meeting comes at a moment when international political and economic conditions have never been more favourable for the international community's achievement of our development goals. Despite some evident vulnerability, the continued growth of the world economy, based on a relatively stable financial sector and low inflation, provides a unique opportunity to launch reforms in the area of financing for development on the basis of a long-term vision.

As the report of the Secretary-General (A/62/190) clearly points out, there are concerns that the fruits are not fairly distributed in the implementation of the Monterrey Consensus. Selective allocation of aid excludes many low-income countries, despite their urgent need. I hope that at this meeting we will further the discussion on how to reduce the number of developing countries that are shut out of international aid.

Needless to say, the international community has made strenuous efforts towards strengthening its commitment to eradicate poverty and disease. Official development assistance (ODA) increased from $53 billion in 2000 to more than $100 billion last year. Significant progress has been made in various sectors but, with the exception of some countries in the Asian region, we have not been very successful in alleviating extreme poverty in countries where it is most rife. With the upcoming Doha summit in 2008, we need an extraordinary jumpstart to accelerate progress.

There are clear signs of hope that we can achieve the Millennium Development Goals (MDGs). One is the remarkable increase in the number of donor countries. Seven years ago, the traditional donor countries represented by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) were the world's only donors. Now, a number of other countries with strong economies are scaling up their ODA, including the Republic of Korea, as well as Brazil, Russia, India and China — the so-called BRIC States — and other non-DAC OECD countries.

In an effort to build effective partnerships among traditional and newly emerging donors, the Republic of Korea, together with the OECD, held a conference in Seoul just last month with non-DAC OECD donor countries. There were productive consultations on enhancing cooperation and aid effectiveness. Emerging donors, whose political and economic influence has been growing steadily in recent years, are encouraged to play a more noticeable role in meeting the aid requirements necessary to reach the MDG targets.

Another important factor vis-à-vis those emerging donors is that they themselves were once recipient countries. Having gone through the development process, they can provide practical advice and guidelines, sharing the lessons they have learned with today's recipient countries.

As an emerging donor that will be joining DAC by 2010, the Republic of Korea has on many occasions declared its strong commitment to faithfully implement the principles set out in the Monterrey Consensus and to make an even greater contribution at the international level. To that end, we are planning to expand our ODA to $1 billion by 2009, and to $3.2 billion by 2015.

To complement our aid resources and further support international efforts to eradicate poverty, we have also joined the air-ticket solidarity levy initiative, an innovative source of financing for development. It is highly auspicious that innovative financing for development is emerging so rapidly as a major issue on the international agenda. To support such innovation, the Republic of Korea, last September in Seoul, hosted the Third Plenary Meeting of the Leading Group on Solidarity Levies to Fund Development.

The first element of the Monterey Consensus emphasizes mobilizing domestic financial resources. That clearly underlines the key role of enhancing the financial capacity of developing countries through national savings campaigns, investment and concentration of capital, especially in view of the importance of achieving sustainable development based on ownership. Korea's development experience during the past five decades confirms the importance of those concepts. However, our development history also reveals that domestic efforts are not enough. Such endeavours must be augmented by foreign direct investment and other private capital flows for the development of key infrastructure.

Given the diversity of economic growth among and within developing countries, there can be no one-size-fits-all development strategy. Tailored approaches to development can be used to establish national development strategies for developing countries that reflect the unique indigenous characteristics of their development.

The case of the Republic of Korea shows that developing countries should carefully formulate their plans and policies according to their respective levels of development and retain the ability to create the most appropriate development strategies by referring to proven best practices.

To maximize the efficiency of international resources, recipients need to establish appropriate financial regulations and mechanisms to facilitate stable capital flows, aligning them with broader long-term objectives for sustainable development. For its part, Korea has in place policies to facilitate such capital transfers through the reduction of transmission costs and the liberation of overseas remittances — while our foreign direct investment in developing countries reached $5.2 billion in 2006.

I believe that the third method of financing put forward by the Monterrey Consensus — international trade as an engine for development — was at the core of Korea's success story. With financial resources and advanced technology attained through trade, Korea was not only able to accumulate the necessary foreign capital but also to invest massively in mid-to-long-term development plans. Based on its unique experience, Korea is assisting developing countries to build capacity in the area of trade by increasing the benefits of non-tariff trade, aid-for-trade and other trade-related technical cooperation.

Four decades following the Korean War, the Republic of Korea is now a developed country that once was a major recipient country, receiving $13 billion in aid. Our case shows that international assistance can serve as an indispensable engine for development and growth by creating a virtuous cycle in the development process. Korea now stands ready to contribute to international efforts to meet the MDGs by enhancing partnerships with both recipient and donor countries. We firmly believe that effective partnerships among donors and recipients can be established through the ownership of development plans, along with sound policies and good governance.

The Republic of Korea focuses not only on increasing the volume of its aid, but also on improving its effectiveness. In establishing and carrying our aid policy, we have lunched the mid-term Government management plan as an effort to increase the volume of aid every five years, to develop policies to expand considerably the rate of untied aid and to enhance the proportion of grants in the disbursement of our aid.

At the halfway point to the deadline for meeting the MDGs, it is high time for us take stock of our achievements to date and to pool our wisdom to set the future direction for concrete action. It is my sincere hope that this meeting will yield productive and tangible outcomes, paving the way towards the success of the 2008 Doha Conference.

The meeting rose at 6.30 p.m.