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New York

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

The meeting was called to order at 10.05 a.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 (A/62/76 and A/62/76/Corr.1)

The President: I give the floor to Her Excellency Ms. Byrganym Aitimova, chairperson of the delegation of Kazakhstan.

Mrs. Aitimova (Kazakhstan): I will try to be brief today because I know that we are so tired from trying to finalize our discussions yesterday.

Economic and social development is an issue that concerns humankind as a whole. Globalization is a contemporary phenomenon that, on the one hand, speeds up economic processes, offering opportunities for the economic and social development of all countries while, on the other, it highlights ever more strongly the divide between the rich and poor countries. That divide, if ignored or treated with indifference, may become an obstacle and a threat to the world's peace and stability.

The Monterrey Consensus outlined the comprehensive national and international policy actions required to achieve the internationally agreed development goals. It recognized that enhanced financial flows are critical to the realization of those development goals.

Kazakhstan fully agrees that nationally formulated and owned development strategies, adequate policy space, greater overall coherence and coordination, including donor-recipient coordination, employment creation and greater support for private-sector growth are all critical elements in attaining the agreed development goals. In that context, good governance, particularly enhancing transparency and combating corruption, also plays an important role.

We are convinced that strengthening international trade is also an important factor in the financing of development. The creation of a liberal multilateral trade system will considerably stimulate development and produce certain benefits that are available to all countries.

Kazakhstan is committed to its obligations to reach the Millennium Development Goals and is tirelessly implementing a long-term development strategy known as "Kazakhstan-2030". Kazakhstan's main objective in the area of economic policy is to ensure that our country joins the ranks of the most competitive economies. To that end, we are implementing innovative industrial programmes to

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diversify the economy, increase the production of value-added goods and services, and lay the foundation for a high-technology service economy.

Kazakhstan has significantly improved its macroeconomic and fiscal management. In our country, an economic financial environment has been created that corresponds to the standards of a developed market. Moreover, in recent years the Republic of Kazakhstan has been making considerable investments in the economies of other developing countries through bilateral and multilateral channels. Joining the World Trade Organization will help Kazakhstan in that endeavour. We deem it important that this should take place on equitable and non-discriminatory terms.

As a continental country, Kazakhstan strongly believes that it is important to take into account the interests of landlocked developing countries in the development of transit transport capabilities, the promotion of trade, and obtaining access to world markets. This year has significant importance for the Almaty Programme of Action. Now is the time to review the progress achieved in the implementation of the Programme.

Kazakhstan hopes that the success of this meeting will help to enable the achievement of the development-related objectives set out in the Millennium Declaration and contribute to the good preparation of the Doha Conference at the end of 2008.

In order to provide for the further implementation of the long-term commitments of the Monterrey Conference, there is a need to improve cooperation between Governments, international organizations, the private sector and the non-governmental organization sector within the framework of the agreed agenda for the Conference. In that context, the United Nations system and especially the Economic and Social Council have a very important role to play, not least in the monitoring and coordination of the implementation process.

The President: I thank the representatives of Albania, Suriname and Tajikistan and the observer of the Inter-Parliamentary Union for having graciously accepted not to take the floor this morning. I ask the Secretariat to distribute their statements at this meeting.

I now call on His Excellency Mr. Raymond Wolfe, chairman of the delegation of Jamaica.

Mr. Wolfe (Jamaica): Let me at the outset indicate that Jamaica wishes to align itself with the statement made by Pakistan on behalf of the Group of 77 and China.

The reports of the Secretary-General before us speak to the overall improvement in the performance of developing countries and the mixed results in terms of the progress in implementing the Monterrey Consensus. It is therefore important that as we read the reports, we bear in mind the diverse needs of developing countries and their extreme vulnerability to global economic and financial instability, rising commodity prices and natural disasters.

In looking at the overall framework, we take the view that the starting point for our deliberations should be an acknowledgement that efforts at the domestic and global levels are mutually reinforcing. A broad framework of reference that encapsulates the rule of law, sound economic policies and effective, participatory democratic institutions includes objectives that are not confined to the activity at the country level. They permeate action at the global level and are central to the effective functioning of the global economy. We therefore expect that due regard will be given to the dynamic nature of this relationship during the course of our discussions, especially regarding the voice and effective participation of developing countries in global economic governance.

Commenting on national efforts, Jamaica accepts that each country has the primary responsibility for its own development. Jamaica remains fully committed to that objective. The Government also continues to pay special attention to the promotion of trade and investment as engines for growth and development in the context of job creation, poverty eradication and the overall improvement in the standard of living of our people.

We therefore see merit in the recommendations advanced in the report of the Secretary-General (A/62/217) related to mobilizing domestic financial resources for development to provide developing countries with the enabling environment to attract private investment. We also concur that the necessary regulatory framework has to be put in place, and we are convinced of the strong role that national development banks can play in the process, particularly in providing financing for small and medium-sized enterprises. With respect to the latter, and in keeping with our own experiences, we wish to underscore the urgent need for technical assistance and innovative public and private partnerships to strengthen access by small and medium-sized enterprises to financing.

The Government is also working with the Jamaican Diaspora to see how best we can build partnerships and support initiatives aimed at enhancing the welfare of local communities. We see this as important since it is not limited to a rather skewed focus on remittances, but encapsulates a much broader approach for the overall development of the country.

At the same time, our efforts can be successful only in a global economic environment conducive to growth and with the requisite support of developed partners. Such an approach is necessary if long-term development objectives, plans and strategies are to be realized. This is essential for countries like Jamaica that, notwithstanding our classification as a middle-income developing country, are especially susceptible to natural disasters, are highly indebted, have limited access to global capital markets and have limited resources, productive and export diversification capacities.

Against this background, we welcome the call made in the Secretary-General's report (A/62/217) for foreign direct investment (FDI) flows to be broadened to a wider range of countries, including least developed countries, landlocked developing countries and small island developing States. We further wish to reiterate that FDI flows should respond more commensurately with the reform efforts being undertaken in developing countries. We see merit in the recommendation of the Secretary-General that multilateral financial institutions should adapt the range of products and services they provide to meet the evolving needs of both low and middle-income countries.

There is also a need for predictable and stable flows of official development assistance (ODA), given that ODA continues to remain crucial for financing the internationally agreed development goals, including the Millennium Development Goals. We believe that the discussions in the context of the Development Cooperation Forum of the Economic and Social Council can enhance progress in this regard.

With respect to debt, we wish to underscore the need for a renewed and vigorous approach to resolving the external debt problem of developing countries, including middle-income developing countries.

On the issue of trade, I wish to reiterate my delegation's expectation that development will remain at the core of the Doha trade negotiations and that due regard will be given to the principles of special and differential treatment.

Finally, we remain firmly convinced of the crucial role that the United Nations can play in advancing the implementation of the Monterrey Consensus. We see this responsibility evolving through greater collaboration and cooperation with the Bretton Woods institutions as well as with the World Trade Organization, especially through the annual spring meeting of the Economic and Social Council with these organizations as well as the United Nations Conference on Trade and Development.

We also recognize and accept that more has to be done to strengthen the implementation of the Consensus and that the now strengthened Economic and Social Council, through the Development Cooperation Forum, is better poised to fulfil this responsibility. For this reason, Jamaica wishes to reiterate that our deliberations on how best to strengthen the review process should bear in mind the many existing forums that have been established for this purpose, in order to avoid any unintended duplication of efforts and mechanisms.

The President: I now call on His Excellency Mr. Ahmed Mekki Ahmed, chairman of the delegation of Sudan.

Mr. Ahmed (Sudan): On behalf of my delegation, I would like to congratulate you for convening this timely High-level Dialogue on Financing for Development. We are confident that under your diligent and able leadership our deliberations will be steered to fruitful conclusions.

My delegation aligns its statement with that of the representative of Pakistan, speaking on behalf of the Group of 77 and China, and the statement of the representative of Benin on behalf of the African Group, as well as the statement of Bangladesh on behalf of the least developed countries.

I would like to express our appreciation to the Secretary-General for his comprehensive reports on the issue at hand. My delegation attaches special importance to this meeting and recognizes its vital role in paving the way to the follow up of the International Conference on Financing for Development to Review

Implementation of the Monterrey Consensus, to be held in 2008 in Doha.

We are hopeful that the Conference, which will take stock of what has been achieved five years after the adoption of the Monterrey Consensus, will also address the best means to strengthen its implementation as we move ahead within a fluid global environment that carries both opportunities and challenges.

The Monterrey Consensus is predicated on the principle of partnership and a set of commitments to be carried out by both the developing countries and developed countries. The Secretary-General, in his analytical assessment, states that the picture is quite mixed and points to considerable advances in some areas and to modest progress, stagnation or retrogression in others.

We recall that, in 2002, members of the Development Assistance Committee made various promises before and at the Monterrey International Conference on Financing for Development to increase their aid by 2006 from the previous levels set in 2000. While some managed to do so, others failed to fulfil their promises, and total official development assistance (ODA) fell by 5.1 per cent to around $103.9 billion in 2006, which is 0.3 per cent of gross national income, way below the internationally agreed target of 0.7 per cent of gross national income in ODA.

Donors' promises to double aid to Africa, a continent that is off track in meeting the internationally agreed development goals, including the Millennium Development Goals (MDGs), remain unfulfilled. Despite the fact that preliminary data shows that bilateral net ODA to Africa rose by 23 per cent, most of the increase was due to debt relief grants for one or two countries, and in fact ODA is expected to further decline in 2007.

In my own country, the Sudan, ODA has been declining since the early 1990s. Over the period 1989-1995, ODA to the Sudan averaged about $22.2 per capita, while in 1982 it was $31. In 1990 it was $29 and has diminished since then due to the unfair unilateral sanctions imposed on the Sudan since the early 1990s. We also note that, while humanitarian aid to the Sudan increased per capita, ODA declined sharply over that period. The declining ODA is a major issue that needs to be underscored, as it constitutes a vital commitment on the part of the developed countries to assist the developing countries if the MDGs are ever to be achieved by 2015.

Despite serious challenges and constraints, the Sudan has continued to implement macroeconomic and microeconomic reform policy packages that have lowered inflation from the 130 per cent level of the 1990s to a single-digit figure since the year 2000. Greater attention is being devoted to the most vulnerable portion of the population so as to improve the quality of life of the poor. The Sudan has established a community development fund in order to facilitate easy access by the poor to microcredit loans to enable them to produce their food and virtually generate income.

A project aimed at the expansion of the microfinance sector in the Sudan, commissioned by the country's central bank, has been established in recognition of the important role that vibrant microfinance can play in mobilizing resources for the economic development of the country, particularly in terms of poverty eradication. The main aim of the strategy is to facilitate access to financial services by the poor in rural, semi-urban and urban areas by expanding and developing the microfinance sector in a cost-effective, gender-sensitive and sustainable manner.

As a result of favourable amendments to the country's Investment Act, and as an outcome of the peace agreements, an atmosphere conducive to investment has been created, and a considerable level of foreign direct investment is being attracted to many sectors, especially agriculture, animal resources, energy and light industries.

It must be pointed out that all of those efforts are being impeded by the country's huge external debt, which stands at more than $27 billion, of which more than 50 per cent constitutes accumulated arrears. The Sudan's external debt problem continues to limit the country's access to external development financing. The Government is concerned that, after seven years of successful implementation of successive staff-monitored programmes, it is not benefiting from any debt-relief initiatives.

On international trade, it is necessary to develop a strong global partnership for development in order to guarantee an open, rule-based, predictable and non-discriminatory trading and financial system. The special need of the least developed countries for duty-free and quota-free unhindered market access for all their products must be addressed.

On South-South cooperation, the Sudan strongly believes in the value of utilizing complementarity and geographical proximity in the face of rapid globalization, the benefits of which have not been equally shared, in order to forge strong and expanding economic relations between countries in Africa, Asia and Latin America.

Within the framework of strengthening South-South cooperation for enhancing economic partnerships and in the context of the Cotonou Agreement, the Sudan in December 2006 hosted the African, Caribbean and Pacific group summit to accelerate the process of finalizing the negotiations on economic partnership agreements as quickly as possible, and will pursue that effort throughout the term of its presidency up to December 2008.

In conclusion, while the Monterrey Consensus highlighted the role of internal conditions for mobilizing resources, the role of international assistance remains a key factor, and we look forward to further addressing those issues and to crafting our way forward in Doha next year.

The President: I give the floor to His Excellency Mr. Paul Badji, chairman of the delegation of Senegal.

Mr. Badji (Senegal) (*spoke in French*): My statement was to have been made two days ago by Mr. Cheikh Tidiane Gadio, Minister for Foreign Affairs of Senegal, who had other duties to attend to and was compelled to leave New York. He asked me to make this statement on his behalf. I shall deliver an abridged version.

> "I wish to share some notes I made in reviewing the high-quality reports submitted to us by Secretary-General Ban Ki-moon in documents A/62/190 and A/62/217. My notes address the principal sources of financing for development: foreign direct investment, trade, official development assistance (ODA) and debt.
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> "The reports tell us that, for all developing countries, foreign direct investment increased from 18 per cent to 48 per cent of total financial outlay between 1970 and 2006. However, such investments are strongly concentrated in some regions and there is a great disparity between countries in the same region. That is particularly true for sub-Saharan Africa.
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> "Turning to international trade, the reports stress that developing countries remain seriously hampered in gaining access to the markets of the developed countries and that commitments to services liberalization under the General Agreement on Trade in Services are of limited scope.
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> "With respect to ODA, the situation is hardly any better. According to the Secretary-General, despite an increase from $27 billion to $73 billion on average between 1980 and 2005, we are still far from achieving the goal of 0.7 per cent of gross national income. He goes on to say that, according to initial estimates, ODA flows have slightly dropped in 2006 and that they will stop practically increasing in 2007, according to projections. In the same vein, the Secretary-General indicates that, foreign debt relief has only had a limited effect because, for the most part, it has been applied to debt stocks that in any case would have been difficult, if not impossible, to pay back, in addition to the fact that debt relief measures, however salutary they may be, are not enough to ensure the viability of the debt stock.
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> "These are the rather eloquent reasons for the limits on the four main sources of financing for development, and they are the reason for the poor results that we have seen since 2002. The promises of Monterrey will be fulfilled only if, in addition to acting on those commitments, we strive to find instruments to mobilize additional resources — instruments which would supplement the four main sources that I have just mentioned.
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> "The Leading Group on Solidarity Levies to Fund Development has been involved in this exercise since it was set up in 2006. This Group, which now includes 54 member countries, has set as its main goal to identify, test on a pilot basis and disseminate innovative projects to finance development. Among the potential new mechanisms identified by the Group, we might refer, among others, to the International Drug Purchase Facility as well as the air-ticket solidarity levy and the Global Digital Solidarity Fund.

"I would like to take this opportunity to recall that the Digital Solidarity Fund, an initiative of the New Partnership for Africa's Development is recognized as a special way to combat poverty and was endorsed by the community of nations during the World Summit on the Information Society. It proposed a "one per cent of digital solidarity…" initiative known as the Geneva Principle, the implementation of which seems to us crucial if we want to reduce the digital divide in developing countries, especially in Africa.

"This Principle consists of proposing to any company that awards public contracts to pay one per cent of the amount of the contract to the Digital Solidarity Fund as a contribution to deal with the digital divide. National administrations and local communities could also apply the Geneva Principle. Its flexibility of implementation and voluntary nature strongly advocate in favour of its dissemination.

"The Head of State of Senegal, Mr. Abdoulaye Wade, initiator of the Digital Solidarity Fund and of the Geneva Principle, has also proposed a formula to mitigate the terrible shocks that our fragile economies suffer because of the huge surge in oil prices that we have seen since 2003. By making it possible to identify the profits made by the oil companies operating in Africa because of the staggering increase in the price of crude oil as well as the surcharge imposed on African countries that import the black gold, this formula, better known as the Wade Formula is proof of the duty of solidarity of those companies towards those countries.

"Today, five years after Monterrey, economic and social well-being is still an elusive goal towards which many member countries of our Organization continue to strive. Indeed, the Millennium Development Goals appear increasingly unattainable, particularly in Africa, and poverty is gaining ground, thus increasing the gap between nations. Accordingly, no initiative at this crucial stage should be disregarded if we want to continue hoping for the successful implementation of the Monterrey Consensus.

"It is for this reason that the countries of the Leading Group on Solidarity Levies to Fund Development, which include Senegal, solemnly call upon all States Members of our Organization to consider implementing innovative mechanisms to finance development that they have identified and started to implement."

The President: I now give the floor to His Excellency Mr. Zachary Muburi-Muita, chairman of the delegation of Kenya.

Mr. Muburi-Muita (Kenya): Mr. President, I express my appreciation to you for organizing this High-level Dialogue on Financing for Development. My delegation associates itself with the statements delivered by the representatives of Pakistan and Benin on behalf of the Group of 77 and China, and the Group of African States, respectively. In the spirit of your address to this meeting yesterday, I will present a highly condensed version of my statement, the full text of which has already been submitted to the Secretariat for circulation.

The Monterrey Consensus provides a conceptual framework incidental to efforts aimed at dealing with issues of financing for development at all levels in a comprehensive and systematic manner. My delegation therefore calls on the international community, particularly the developed countries, to meet their commitments in order to keep the spirit of Monterrey alive. For Kenya and many developing countries, a number of wide-ranging reforms have been instituted since the Monterrey Conference as part of our commitments.

However, Kenya's capacity to raise resources domestically for development remains constrained, hence the need for development partners to move fast to meet their commitments in providing adequate support for development.

Countries, have been on a steady decline since the 1990s, particularly in Africa. There is a need to institute measures to reverse this negative and worrying trend. It has been established that fair trade is a vital tool and development catalyst for both developed and developing countries. We call for a fair, global, rule-based, open, non-discriminatory and equitable multilateral trading system that can stimulate development worldwide.

External debt is a key impediment to development in developing countries. A number of initiatives that have been formed — for instance, the

Heavily Indebted Poor Countries Initiative — have not benefited us owing to the perception that Kenya's debt is sustainable. This is not realistic. The international community should put in place mechanisms within the financing for development framework that will expedite the process of securing unconditional debt relief for developing countries.

The Bretton Woods institutions have a particular and historically significant role in providing resources to finance development in needy countries. For a long time, developing countries have continued to call for the reform of the International Monetary Fund and the World Bank in order to make them responsive to their needs with little or no success. It will be appreciated if our collective call can be heard and acted upon.

Finally, my delegation looks forward to a successful forthcoming review of the Monterrey Consensus in 2008.

The President: I give the floor to His Excellency Mr. Camillo Gonsalves, chairman of the delegation of Saint Vincent and the Grenadines.

Mr. Gonsalves (Saint Vincent and the Grenadines): Five and a half years ago, world leaders gathered in Monterrey and emphatically stated that

> "[o]ur goal is to eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system" (*A/CONF.198/11, chap. I, resolution 1, annex, chap. I, para. 1*).

Today, the question you have put before us, Sir, is whether we have lived up to those noble sentiments.

In an environment of uneven progress towards the Millennium Development Goals, of reduced official development assistance (ODA) and of entrenched global inequality, we must concede that, in spite of some welcome bright spots, our collective post-Monterrey progress has been inauspicious.

The operative word in the phrase "financing for development" is development. The Monterrey Consensus cannot be viewed through the prism of balance-sheet sleight of hand, where items are rotated from one budgetary column to another in a grand international shell game. We must focus on our commitment to improving the lot of the billions of people worldwide living in crushing and unimaginable poverty.

Such a people-centred perspective recognizes that there can be no one-size-fits-all approach to development. We must abandon the monolithic, inflexible, process-driven approaches to financing that have doomed so many initiatives. The efficient and flexible disbursement of financing would be more beneficial than simply increasing the amounts of financing available under existing modalities. In Saint Vincent and the Grenadines, for example, farmers seeking generously donated financing for agricultural diversification have found themselves hopelessly mired in externally-imposed red tape and requirements that are impractical in the domestic context. Those farmers, who are on the front line of the fallout from globalization and iniquitous agricultural subsidies, find themselves lost in the world of bureaucrats and no closer to the promised and much-needed development assistance.

Small countries like ours would benefit if donor countries were to streamline their financing apparatus in such a way as to recognize our gains in democracy, anti-corruption and good governance and therefore trust us to give relatively small amounts of money to a variety of small projects without impractical bureaucratic encumbrances.

Most middle-income countries and small island developing States were not given a fresh development start at Monterrey. We were left, as always, to uncomfortably serve two exacting masters: foreign creditors, for whom debt-servicing and belt-tightening are paramount, and our domestic populations, for whom expanded social and infrastructural investments are urgently required.

Small middle-income countries are being excluded from comprehensive debt relief in a manner that calls into question the sincerity of the commitments made at Monterrey. Indeed, for all but the most heavily indebted countries, there is a vexing conundrum. Indebted countries, whose very indebtedness compromises their governance and stability, are told to clean up their domestic act as a precondition for debt relief. Middle-income countries, on the other hand, often stable and well-governed, are told that their marginal competence in avoiding economic disaster precludes them from debt relief. As such, middle-income countries, home to 41 per cent of the world's poor, are condemned, like Sisyphus, to push the debt boulder endlessly uphill.

If broad debt cancellation is unpalatable in the abstract, surely it is not beyond the ingenuity of this body to fashion ways in which a debtor nation can satisfy its obligations to creditors by reallocating its debt-servicing dollars domestically to mutually agreed development projects.

Saint Vincent and the Grenadines again bemoans the imposition of trade distorting barriers and subsidies, which short-sightedly serve the gods of domestic political expediency. Those policies are investments in instability, unrest and underdevelopment and, as we have seen, solving their global repercussions and manifestations requires much more than 0.7 per cent of gross national income.

In that context, St. Vincent and the Grenadines echoes Horst Köhler, Managing Director of the International Monetary Fund, who stated to the Economic and Social Council in 2003 that "[a]dvanced economies must live up to their pledges, and the longstanding target of 0.7 per cent of gross domestic product remains for me a concrete test of their credibility". The Monterrey Consensus must be viewed holistically, and the continued failure of some nations to make tangible progress towards that modest goal belies their commitment to the process.

Saint Vincent and the Grenadines notes that the concept of ODA totalling 0.7 per cent of gross national income was first mooted in 1969. That was before the challenges of climate change, the digital divide and the special development issues of the post-cold-war and post-9/11 world. By right, the question we should be asking ourselves today is whether 0.7 per cent is enough, not whether it is achievable. It is past time that this moral benchmark is given juridical effect and automaticity of process.

Development in Saint Vincent and the Grenadines is heavily dependent on ODA, foreign investment and technical cooperation, and we are deeply grateful for the bilateral assistance we continue to receive from countries in North America, Europe, Latin America, the Caribbean and Asia. We also recognize the indispensable role of South-South cooperation in achieving the lofty goals of the Monterrey Consensus. As such, Saint Vincent and the Grenadines is grateful for the initiatives of Cuba and the Bolivarian Republic of Venezuela, despite their initial criticisms of the Monterrey process, and of the Republic of China on Taiwan, despite its continued unjust exclusion from this body. They have proven themselves to be willing and innovative partners in development and, in that regard, exemplary global citizens.

One of the greatest artists of our Caribbean civilization, the late Bob Marley, once observed that "a hungry mob is an angry mob". The Monterrey Consensus embraces the same principle, recognizing "that peace and development are mutually reinforcing". Recognition of that interdependence between development and peace means that enhanced development requires an enhancement of the international system of peace and security. Accordingly, we view the expansion and democratization of the Security Council as an integral component of further credible global development.

In closing, we recall the words of our Prime Minister, the Honourable Ralph Gonsalves, at Monterrey in 2002, when he prayed that the Conference would not devolve into "a dragon's dance upon a decorous platform of the finest diplomatic language which few are determined to embrace for action". Put another way, talk is cheap, and the road to hellish underdevelopment is paved with good intentions. Five years after Monterrey, all countries — developed and developing alike — must deliver on our well-meaning words.

The President: I give the floor to His Excellency Mr. Harold Landveld, chairman of the delegation of Suriname.

Mr. Landveld (Suriname): On behalf of Her Excellency Mrs. Lygia Kraag-Keteldijk, Minister for Foreign Affairs of Suriname, and Ambassador Mac-Donald, I would like to express the appreciation of the Republic of Suriname to you, Sir, for organizing this important Dialogue, which is very significant in preparing for the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus to be held in Doha, Qatar, next year.

At the outset, my delegation wishes to align itself with the statement made by the State Minister for Economic Affairs of the Islamic Republic of Pakistan on behalf of the Group of 77 and China, and underscores the importance of the Monterrey Consensus as a comprehensive agreement outlining the national and international policies required to achieve the internationally agreed development goals.

We strongly believe that the United Nations is the principal forum for discussing this important matter, finding ways to resolve global economic development issues, and improving the standards of living of millions of the world's poorest people. Although the Secretary-General's report on follow-up of the International Conference on Financing for Development mentions some improvements, it also calls our attention to unresolved issues. Those include unequal distribution of wealth, nationally and internationally, as evidenced by the fact that 70 per cent of the flow of private resources to developing countries is being absorbed by a dozen countries; increasing poverty worldwide; emerging new forms of protectionism and lack of decisive progress in the Doha trade negotiations; declining current and projected levels of official development assistance, which fall far short of targets to achieve the Millennium Development Goals (MDGs) worldwide; and the total debt of developing countries increasing at a significant pace.

While debt relief can influence the development process positively, at the same time the vulnerability of middle-income countries is increasing due to a major shift from official to private debt. There are incomplete efforts to restructure the international financial architecture in response to profound changes in the global economy.

The Government of Suriname remains committed to realizing by 2015 the targets set forth in the Millennium Declaration, which form the guiding principles for our development policies and programmes.

Suriname has achieved an economic growth of approximately 5 per cent per year during the past five years as a result of new investments in the mining sector, implementation of stringent macroeconomic policies and increased cooperation with bilateral and multilateral donors.

The economic growth of our country, as with many other developing countries, is extremely vulnerable because of our dependency on a limited number of sectors. This vulnerability is compounded by the fact that Suriname is a low lying coastal country, and the majority of the population is concentrated in the coastal zone where most economic activities, including fisheries, agriculture and industrial works, are located. It is indisputable, therefore, that sea-level rise would be catastrophic for our country and others alike.

It is therefore important to include this issue on the 2008 Doha agenda and to find innovative ways to finance the adaptation and mitigation of climate change, including the transfer of technology.

Suriname acknowledges the contribution of the private sector and civil society to development and development financing. We are therefore proud to recall that Suriname organized the first worldwide Civil Society Forum on the Millennium Development Goals (MDGs) in our capital city of Paramaribo from 2 to 4 May this year. This was a successful partnership effort of the Government of Suriname, MDG Global Watch and regional United Nations Associations, civil society, international organizations, including United Nations bodies, the Organization of American States, the Caribbean Community, the European Union and a number of countries with whom Suriname maintains close bilateral relations.

As we look forward to next year's Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in Doha, we are reminded that the development promise of the Doha Round of trade negotiations is yet to be fulfilled. This new road to Doha offers us all a welcome opportunity 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 exceptional challenges faced by small States must, therefore, be fully addressed in this framework by, more specifically, putting emphasis on the special and differential treatment of the most vulnerable economies among us.

In closing, allow me to summarize a few essential points that will help bring about speedy development for all. First, it is time to introduce a monitoring mechanism to assess the implementation of the Monterrey Consensus in order to keep it on track. Secondly, we should continue efforts to increase aid effectiveness and explore innovative ways for development financing. Thirdly, we should strengthen international financial institutions as a crucial step in the reformation of their governance, and give developing countries adequate voice and representation. Fourthly, we need to actively support the poorest countries in their efforts to integrate into the world trade and economic systems by allowing them to protect their markets during a transitional period against unfair competition that affects their development and food security. Fifthly, in Doha next year, we are obliged to deliver substantial change in the current development process by supporting innovative finance initiatives. Finally, South-South cooperation, including through triangular cooperation, should be supported under the condition that it should not be complimentary to North-South cooperation.

The President: I now give the floor to Mr. Hassan Ali Saleh, chairman of the delegation of Lebanon.

Mr. Saleh (Lebanon): My delegation wishes to thank you, Mr. President, for guiding the third High-level Dialogue on Financing for Development. We are quite confident that under your able leadership we will be able to conclude our work and make some substantive achievements.

My delegation wishes to align itself with the statement made by Her Excellency Ms. Rabbani Khar, Minister for Economic Affairs of the Islamic Republic of Pakistan, on behalf of the Group of 77 and China.

This third High-level Dialogue on Financing for Development is quite important this year as it is intended to assess the state of implementation of the Monterrey Consensus, to define the framework and modalities of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, to be held in Doha, Qatar, in the second half of 2008, and to provide some substantive contribution to the preparation of the aforementioned Conference.

We are looking forward to a significant review of the implementation of the Monterrey Consensus. In this respect, the report of the Secretary-General (A/62/217) presents an image that varies in landscape from considerable advances in some areas of implementation, to modest progress, stagnation or retrogression in others. This should inspire our efforts towards a greater determination to implement the Monterrey Consensus. This image is further coloured by certain factual realities that we need to take into account and try to address. These range from the decrease in official development assistance (ODA) to the lack of progress in the Doha Development Round of World Trade Organization trade negotiations.

Actions need to be taken at different levels. At the national level, there is a need to pursue appropriate legal and regulatory reforms to create an enabling environment for private economic activity. This is not to deny the developmental role of the public sector, but a constructive synergy between the two could encourage growth and development.

In this respect, it is important to develop a diversified domestic financial system that promotes financial services capable of facilitating the financing of productive investments, providing microcredits and microfinances and making access to such services affordable to all and procedurally straightforward. Macroeconomic policies need also to be geared toward employment generation. In Lebanon, financial services are advanced, and there are special programmes earmarked for the provision of microcredits and for facilitating the access to finance of small and medium size enterprises.

At the international level, several issues need to be addressed. First, the inflows of foreign direct investment (FDI) to the developing countries reached $400 billion in 2006. Although we are encouraged by this figure, we note with great concern the fact that 70 per cent of FDI inflows went to about 12 developing countries, channelled mainly to the primary commodity sector, particularly oil.

South-South cooperation is becoming an increasing source of FDI. Such cooperation should not be considered as a substitute for North-South cooperation, but rather complementary to it. It could further be enhanced by triangular South-South-North cooperation, which can not only lead to an increase in the inflow of FDI to developing countries, but also to the diffusion of technology. The migrant community could form another source of FDI in their countries of origin; hence the need to reduce barriers on remittances.

Secondly, the Doha Development Round represents an opportunity to redress the imbalances in the multilateral trading system by providing enhanced and real market access and entry for developing countries' exports of manufactured goods, commodities and services. We are quite concerned by the appearance of new forms of protectionism, and we consider that the lack of progress in the World Trade Organization's Doha Development Round is affecting in one way or another the growth of international trade and decreasing its capacity to become a leading engine for development.

Thirdly, ODA remains among the most important tools for financing the internationally agreed development goals, including the Millennium Development Goals (MDGs). We are concerned by the decline in official development assistance (ODA), which diminished in 2006 to 0.30 per cent of the gross national income of countries members of the Organization for Economic Cooperation and Development, from 0.33 per cent in 2005. We consider that the inclusion of debt relief, technical assistance and emergency relief as ODA does not really represent additional resources for development. It is quite obvious that there is a pressing need to increase the overall flows of ODA, net of debt relief, technical assistance and emergency relief. We call upon developed countries to meet their aid commitments and to make concrete efforts to achieve the target of 0.7 per cent of gross national product (GNP) as official development assistance to developing countries and the target of 0.15 to 0.2 per cent of the GNP of developed countries as ODA to least developed countries.

Fourthly, debt is still among the most important factors that could hamper the development efforts of an indebted country, thus setting back its development agenda. The developed countries need to carry out major debt relief, debt restructuring and debt cancellation in order to enable developing countries to allocate to development the financial resources saved. In that respect, we consider that the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative are aimed in the right direction. We call upon creditors and debtors to prevent or address unsustainable debt situations. We call upon developed countries to carry out debt relief, cancellation and restructuring for middle-income countries.

Fifthly, we support the current efforts to reform the international financial institutions. We consider that the final outcome should result in a significant increase in the voice, participation and voting power of developing countries in the governance of those institutions.

Sixthly, there is an urgent need to find new and innovative sources of financing for development. Lebanon welcomes any initiative in that direction and considers that finding the appropriate financial resources would help all developing countries move closer to achieving the Millennium Development Goals.

Finally, we would like to reaffirm once again our continued commitment to the dialogue on the implementation of the Monterrey Consensus and would like to assure you, Sir of our cooperation and support.

The President: I now give the floor to His Excellency Mr. Martin Belinga-Eboutou, chairman of the delegation of Cameroon.

Mr. Belinga-Eboutou (Cameroon) (*spoke in French*): At this advanced stage of our debate, when everything has been said, well said and sometimes excellently said, I come rather late. My delegation shares the concerns expressed, particularly regarding the need to redouble the political will to move from words to action — to fulfil the commitments we made at the Millennium Summit and the Monterrey Conference. Thus, my delegation could have refrained from taking the floor. However, the importance of this debate, which has had such high participation, suggests to us a number of comments, which my delegation would like to share with members. We shall do so by placing this debate in context with regard to Africa, on the one hand, and to the very raison d'être of the United Nations, on the other. And, of course, we shall do so while respecting the time limit that you proposed, Mr. President.

First, I shall discuss Africa. Last week, the General Assembly considered the progress report of the Secretary-General (A/62/204) on implementation of the recommendations contained in the 1998 report on the causes of conflict and the promotion of durable peace and sustainable development in Africa. Indeed, the debate focused on the international community's implementation of the commitments undertaken to support Africa in its development efforts. Is it an accident of scheduling that today, the same Assembly is talking about financing for development? For our part, we wish to see it as a happy coincidence that could be a sign of the times. We find many reasons for hope in this debate.

Here, we wish once again to express our gratitude to all our development partners who have made commitments or decisions to cancel the multilateral and bilateral debt of African countries that fulfil the required conditions. We also wish to thank them for the multifaceted support provided to Africa in its difficult and uneven progress towards the Millennium Development Goals.

But much still needs to be done if we are to meet the deadline and attain the goals set for 2015, particularly the eradication of poverty, of ignorance and of the major pandemics. That explains and highlights the relevance of the recommendations by the Secretary-General in his report on the New Partnership for Africa's Development (A/62/203). Those recommendations are directed to our partners, and we would like to touch upon a few of them.

The lack of progress in the Doha Round of multilateral trade negotiations remains a major problem for Africa. That is why we are waiting for a high level of assistance from the international community. The members of the Group of Eight should urgently and substantially increase their aid to Africa if they want to double it by 2010, as they have pledged to do. Accordingly, they are invited to design a series of innovative financing mechanisms to compensate for any reduction in core budget credits. It is also important to ensure that multilateral trade agreements, including the final arrangements of the Doha Round, accord priority to Africa's needs and include development provisions tailored to needs. The Aid for Trade Initiative should help African countries to implement various trade arrangements, including the Doha Round and economic partnership agreements, by removing the many obstacles faced by African countries.

Secondly, this debate harks back to the dream of the founding fathers of our Organization — a dream that was solemnly reaffirmed at the Millennium Summit: to build a world that is peaceful because it is prosperous. The preamble of the Charter is particularly eloquent in that regard:

> "We the peoples of the United Nations, determined ... to promote social progress and better standards of life in larger freedom, and for these ends ... to employ international machinery for the promotion of the economic and social advancement of all peoples, have resolved to combine our efforts to accomplish these aims".

That reminder gives a very particular tone to our debate: it is about peace, which is gravely threatened today by poverty and extreme poverty. The commitments that we made at Monterrey, which are related to financing for development, in fact concern the financing of peace. Thus, we must fulfil them. We have the means to do so; we must simply demonstrate the political will and solidarity needed.

As President Paul Biya recalled on 23 October 2007,

> "Such solidarity should not be limited to the expression of good intentions or to catalogues of resolutions or individual and collective commitments, whose implementation is always postponed. It must be effective solidarity, translated into significant actions and facts capable of responding to the needs and expectations of countries of the South — needs that, as we know, are enormous".

We have no choice. The waste of resources and the worsening of inequalities can no longer be tolerated. They are threats not only to the pace of development and the stability of institutions, but also, and above all, to the survival of all of us.

What future can there be for peace, security or prosperity in a world where 20 per cent of the population holds 85 per cent of all assets while the immense majority of individuals lack the most basic necessities? How can a world that numbers more than a billion of illiterate people — most often exploited, living in extreme poverty and excluded from participation of any kind —aspire to democracy?

The twenty-first century will be one of sharing or it will simply not be. It is thus urgent — indeed vital — that today's States and peoples become convinced of the necessity of sharing: sharing wealth so that we can all live decently; sharing knowledge to facilitate endogenous development. It is in full awareness that the twenty-first century will be one of sharing that at the Millennium Summit, the President of the Republic of Cameroon, His Excellency Paul Biya, made the case for an ethics in relations among nations, for an ethics of globalization which would put mankind at the centre of all of our policies.

This proposal, strongly reiterated at the thirty-fourth session of the General Conference of UNESCO, calls for, and is based on, a contract of true solidarity. Such a contract would allow us to tackle urgently the eradication of the poverty, marginalization and exclusion that seem to characterize our world. As said earlier, we need to help all countries to acquire the knowledge and technology they need. Those who are suffering, or those who are particularly disadvantaged, deserve assistance from those who are privileged. That is what heads of State affirmed in the Millennium Declaration (resolution 55/2). I hope that we will never forget that. Thus imbued with this ethic of shared solidarity, let us honour, without further delay, all the commitments, all the promises we made in the Millennium Declaration and at the Monterrey Conference.

We need to invest in development and thus in peace. As the Secretary-General has said, peace is the child of development. We know the causes of non-development, conflict and war; we also know the ingredients of development for peace. Let us remember what the poet Saadi told us: “He who learns the rules of wisdom without living by them, is like the man who labours in his fields without ever sowing the seeds”. It is never too late to sow the seeds.

The President: I now give the floor to His Excellency, Mr. Riyad Mansour, chairman of the observer delegation of Palestine.

Mr. Mansour (Palestine): During the debate at the beginning of the sixty-second session of the General Assembly, Sir, President Abbas conveyed to you the congratulations of Palestine on your assumption of the high post of President of the General Assembly (see A/62/PV.10). Since this is the first time I speak before you, I too would like to convey my personal congratulations to you and to say how delighted I am to see you in the presidency.

(*spoke in Arabic*)

It gives me pleasure to address the General Assembly on a question that is extremely important for all of us. We support the statement made by the representative of Pakistan on behalf of the Group of 77 and China.

The region of the Middle East, together with the other countries of the world, particularly the developing countries, is confronting problems and challenges relating to development. The countries of our region know that the Millennium Development Goals adopted in 2000 are closely linked to the Monterrey Consensus process: financing for development is crucial in freeing countries from abject poverty. Despite its geopolitical and economic importance, the region of the Middle East continues to confront additional challenges, such as the occupation, that has gone on for more than 40 years and that has contributed immensely to the instability of the region and undermined development there. Observers and experts agree that instability is the main cause of the region’s weak economic performance and for its lack of integration into the international economy.

Palestine has an important place in that region. Over the years, it has been among the principal recipients of international aid. Thanks to the international community, we have over the years carried out numerous achievements and reforms in the economic area because of the self-motivation of the Palestinian people. We have made major strides towards economic and political reform, with the goal of establishing a solid, transparent and open financial system. The overall aim is to give our people a system of governance consonant with international systems, which is, an absolute right it shares with all other peoples of the world.

But despite many achievements made thanks to aid and support from donors, the humanitarian and economic situation of the Palestinian people continues to be grim. Development efforts in the occupied Palestinian territories are still thwarted by Israel, the occupying Power, through arbitrary measures which in recent years have made it practically impossible to make any economic progress, or achieve any financial stability. Through these illegal practices, which violate international law and international humanitarian law, Israel has, over the past seven years, destroyed most of the infrastructure, institutions and facilities which, thanks to the generosity of donor countries, were built in occupied Palestine following the signing of the Declaration of Principle in 1993. The current situation is a humanitarian disaster. Instead of channelling the energies of our people towards development and building a bright future, our people are obliged, due to continuous Israeli military aggression and economic embargo, to depend totally on humanitarian aid.

It was reaffirmed at the Monterrey Conference, that development is a shared responsibility of the international community. The world leaders agreed to take specific steps in a number of fields to support international partnerships for development. The Palestinian people, who live under the yoke of occupation, attach great importance to this issue because it is their lifeline.

However, the economic and financial situations have deteriorated rapidly. Since the January 2006 legislative elections, we have been subjugated to the most terrible forms of punishment. As Ms. Karen Koning AbuZayd, Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, has stated, the irony is that there is a contradiction between the international commitment to eliminate poverty and the imposition of one of the most atrocious regimes to punish the Palestinian people. Mr. John Dugard, the Human Rights Council's Special Rapporteur on human rights in the Occupied Palestinian territories, has said that this is the first time that an occupied people has been so treated. The punishment includes Israel's keeping the duty and tax revenue it collects on behalf of the Palestinians, monies that form about half the Palestinian budget. The economic and trade embargo against our people is being stepped up through the imposition of banking restrictions for transfers of funds, including those that come to us in the form of assistance provided by donor countries. Those measures have deepened the economic and humanitarian crisis in Palestine.

In 2006, third-quarter gross national product (GNP) fell about 8 per cent compared to the same period in 2005. Poverty and unemployment rates continue to rise and now stand at about 64 and 30 per cent respectively. Although donor countries have promised that they will resume aid and Israel has said that it will transfer part of the tax revenue it is illegally withholding, the humanitarian situation has not seen any tangible improvement because of the continued occupation and violations and because of Israel's refusal to transfer to the Palestinian Authority the taxes that it is holding illegally.

The Monterrey Consensus indicated that trade is an engine for development, and in many instances the most important foreign resource for financing development. But that engine for development continues to be stalled because of the stifling economic embargo imposed by Israel and the blocking of our access to markets for extended periods of time, making it impossible for trade to exist. A United Nations Conference on Trade and Development report states that there is little opportunity to engage in trade in the Palestinian territories, because of external and internal restrictions imposed by Israel. All of the economic indicators in Palestine are falling. Over the past five years, our economy has lost $8.4 billion in income, which is equivalent to more than double the volume of today's economy. Palestinians are increasingly dependent on imports from Israel. Current production levels are only two thirds of local production levels of 1998. The trade deficit thus reached some $2 billion in 2006. That does not involve only figures: it is the reality that we live each day, and it has a direct impact on hundreds of thousands of Palestinians. This reality is a threat to our livelihood and to our lives, as well as a threat to our future and the future of our children.

Israel's occupation and illegal practices in Palestine have halted all activity on the six areas of attention of the Monterrey Consensus, thus thwarting any possibility that we might achieve tangible economic development. The challenge of development, as was discussed in Monterrey, is a global challenge. It includes the achievement of the MDGs for all peoples of the world without any exception. The Palestinian people, who have been suffering under occupation for more than 40 years, are thus entitled to enjoy development like all the world's other peoples, and to play our rightful role, which has long been absent from the world scene.

The President: I now give the floor to His Excellency Mr. Fernando Valenzuela, chairman of the observer delegation of the European Community.

Mr. Valenzuela (European Community): Earlier in the debate, the Assembly heard the statement of the Presidency of the European Union (EU). Naturally, the European Commission fully aligns itself with the EU statement.

I am addressing the Assembly today to elaborate on and to underscore certain important aspects of the financing for development agenda. There are three issues I would particularly like to highlight. They are: first, the importance of scaling up aid; secondly, the need to improve the effectiveness of aid, including aid predictability and aid modalities; and thirdly, the impact of trade on development.

The year 2008 will be a crucial year for development. It will test the credibility of the international community and our global partnership. At the Third High-level Forum on Aid Effectiveness, in Accra, we will further promote aid effectiveness. At the Follow-up International Conference in Doha we will look into the implementation of the Monterrey

Consensus. And in Doha too, we expect to see further progress in the global trade negotiations.

The eradication of poverty and the achievement of the Millennium Development Goals (MDGs) remain at the centre of the European Union's agenda. To achieve these objectives we need more and better aid and the ability to implement it faster, as well as institutional and structural reforms in partner countries.

Europe's drive to further increase aid stems from the European Consensus on Development, which defines, at the Union level, common values, principles, objectives and methods that facilitate poverty eradication. It has triggered change in the way we deliver our assistance and in how we cooperate at the international level.

Following the EU's commitment to increase official development assistance (ODA), for the European Union, doing more means meeting the objective of allocating 0.7 per cent of gross national income (GNI) to official development assistance by 2015. We are on track to deliver that objective. EU aid reached a record high of €48 billion — that means $67 billion — in 2006, against the global trends of ODA in 2006, and remains on the rise, even when excluding debt relief.

We are now working towards our next EU intermediate target of 0.56 per cent of GNI for ODA by 2010. If the trends continue in a similar direction, EU aid will represent 70 per cent of global aid in 2010. That is why we call upon all in the donor community to live up to their commitments and to further increase aid to ultimately achieve the 0.7 per cent target by 2015.

At country level, in our partner countries our determination to do more and better means much more than simply making the necessary increases in resources, particularly in sub-Saharan Africa. Increasing resources will not bring the intended results if we do not make a profound review of the way we use those resources.

We see three ways to improve the situation. First, we must give concrete content to the concept of complementarity of aid. The European Union has adopted an EU Code of Conduct on the Division of Labour in Development Policy, which aims to avoid excessive fragmentation of aid at global, country or sector levels and to improve aid effectiveness. We hope that bilateral donors, the World Bank and the United Nations will take a strong interest in the Code of Conduct. It is also important for our developing country partners to understand that the division of labour among donors will particularly serve the interests of beneficiary countries by providing better managed aid with lower administrative costs, better targeted aid in the context of scaling up, and aid which is less volatile. This does not imply the lowering of aid allocations at all.

Secondly, we must review our aid modalities. An ever-increasing number of projects would be highly detrimental to the benefits of the scaling up process. The European Commission is convinced that increased use of budget support, whenever possible, is essential. Budget support is the aid modality which is the most favourable to ownership.

Thirdly, we need to seriously put into practice the concept of aid predictability. Our partner countries need stable aid and longer-term perspectives regarding future aid flows in order to plan MDG-related public spending better. With respect to improving the predictability of our aid, the European Commission has been developing an MDG contract in consultation with the EU Member States as a longer-term, more predictable form of budget support. The MDG contract targets well-performing countries that have successfully implemented budget support and that show a commitment to achieving and monitoring the MDGs. This form of budget support would cover six years and provide a minimum, guaranteed level of support within a strong framework for monitoring performance and results. We expect the MDG contract to account for more than half of all our general budget support provided to African, Caribbean and Pacific countries from the tenth European Development Fund. We believe that this approach will provide our partner Governments with a higher degree of predictability and thus help them to prepare longer-term strategies and spending programmes with greater confidence, enabling them to accelerate progress towards the MDGs.

But we also recognize that the effectiveness of the MDG contract will be enhanced if it is implemented in harmony with other budget support providers. We therefore remain committed to ensuring that the MDG Contract will be pursued in accordance with in-country harmonization processes.

Trade is a powerful engine for economic growth, and in substantial part countries rely on trade to fight poverty. While trade alone cannot solve development problems, openness to trade and support for supply-side capacity are important elements in any coherent development strategy. For trade to serve as an engine for growth, a number of conditions need to be fulfilled. First, there needs to be sufficient access to export markets. Secondly, trade policy needs to encourage competitiveness. The role of trade in development is thus something that concerns both developed and developing countries. Hence, we all have a shared interest in a successful Doha deal.

The good news is that the Doha negotiations have made more progress than people realize. A balanced, equitable and development-oriented outcome can improve the prospects for economic growth and development and can contribute to achieving the Millennium Development Goals. Therefore, members should take this last chance to agree on the modalities for a Doha deal. In the light of that, it is absolutely vital for all key members to show a spirit of compromise and constructiveness and a genuine will to reach a balanced agreement by the end of this year.

The EU is doing all that it can to keep up the momentum. For example, we have shown genuine flexibility on agricultural market access. Equally, big emerging economies should move to deliver their side of the bargain. That is why we in the EU are asking them to bolster confidence in the negotiations by making clear that they are ready to engage on the basis of the negotiating texts of the Chairs of the World Trade Organization.

Of course, we must ensure that the Doha Round delivers on its development promises. The EU will continue to watch carefully to ensure that development issues, such as aid for trade, duty-free and quota-free access and measures against preference erosion, are adequately taken into account.

The European Commission considers the Monterrey Consensus to be a key achievement of the international community. In Monterrey we subscribed to important commitments on financing for development and established the global partnership for development. The Consensus clearly spelled out that such a partnership is needed to eradicate poverty and to make real progress in the developing countries towards the internationally established development goals and targets. It is evident that without this global partnership and without mutual responsibility, our efforts are not likely to bear fruit.

The European Commission and the European Union are playing our parts in an active manner in the global partnership, and we are looking forward to working together with our partners during this session of the General Assembly and in the follow-up to the Monterrey implementation review in Doha next year.

The President: In accordance with General Assembly resolution 57/32 of 19 November 2002, I call on Her Excellency Mrs. Anda Filip, the Observer for the Inter-Parliamentary Union.

Mrs. Filip (Inter-Parliamentary Union): I will be briefly presenting the main points of an intervention prepared by Mr. François de Donnea of Belgium, Inter-Parliamentary Union (IPU) rapporteur on development assistance. He was in New York for the time allotted for the high-level debate and had to return to his capital last night.

Official development assistance (ODA) is a key component of the Monterrey Consensus, and it remains one of the principle concerns of the Inter-Parliamentary Union. It is an area where parliaments can provide very direct input, particularly through the budgetary process. In order to draw attention to the many problems besetting the management of ODA, a report was recently introduced to the IPU Standing Committee on Finance, Sustainable Development and Trade for a broad-based consultation with our member parliaments. That consultation will culminate in a political resolution on foreign aid to be adopted at the 118th IPU Assembly, in Cape Town, South Africa, in April 2008.

There is broad recognition of the fact that one of most important problems in ODA management has to do with weak ownership at the country level — the cause of a continuing misalignment between aid allocation and countries' priorities, and consequently of poor results on the ground. Stronger ownership of the ODA process can be achieved through more substantive involvement by parliaments. That would also buttress politically the case for future increases of ODA, and it will become critical as ODA flows are increasingly being channelled through general budget support.

To increase ownership of ODA at the parliamentary level at least two things are required: more regular and in-depth scrutiny and information-sharing between the executive and the legislative branches, but also more understanding by members of parliament of how ODA truly works. Truth be told, too many members of parliament, especially in developing countries, do not have the capacities to exercise that role fully or have not yet fully grasped the technical complexities of the ODA machinery. That is why we urge all donor agencies to pay special attention to the needs of parliaments in developing countries and to earmark more funds for parliamentary capacity-building.

I should say in this regard that developments in the context of the recent creation of the Development Cooperation Forum of the Economic and Social Council suggest that the need to involve parliaments in improving aid effectiveness is gaining ground. The IPU was invited to attend the first substantive consultation on the Forum, which took place in Vienna this past May, and also participated in the official launch of the Forum in July in Geneva. More important, we will be working with the Forum secretariat to help organize the parliamentary component of a tripartite stakeholders forum, including civil society and private sector representatives, in May of next year. We very much believe in the value of that exercise.

In the interest of time I will conclude my remarks here. The full text has been circulated in the Conference Room, and we very much hope that members will be able to take a look at the full text.

The President: We have heard the last speaker in the High-level Dialogue. It is time now for my concluding remarks.

I would like to express my appreciation to all delegations — more than 90 of them — for participating in our High-level Dialogue. Their active contributions to the plenary meetings, as well as to the round tables, have greatly contributed to the success of the meeting. The conduct of the meeting has followed on from the success of the sixty-second session general debate. I would like to state with great satisfaction that Member States have risen to the challenge of revitalizing the Assembly by engaging in a true interactive dialogue in the spirit of consensus and international cooperation.

Participants have put forward a wealth of ideas, new initiatives and recommendations that enriched the policy debate on which we can build towards the financing for development conference in Doha. I am encouraged by the active participation and the contributions of the key institutional stakeholders, intergovernmental organizations, other international development institutions, the private sector and civil society. The engagement of all partners is also crucial on the road to Doha. I am confident that the spirit of discussions during our High-level Dialogue augurs well for a successful outcome in Doha.

Given the time constraints and the richness of the policy discussion over the past few days, it would not be appropriate for me to attempt to summarize the various substantive issues that have been raised. Rather, I will present a summary within the coming weeks. Still, allow me to make some brief remarks on a few key topics to highlight the rich dialogue that has taken place.

Many representatives expressed their concern about growing economic inequalities, not only between countries but also within countries, in the context of globalization, particularly in the context of the current instability in global financial markets. On the domestic front, according to several speakers, there is a crucial need to enhance tax revenues and create more distributive tax systems. This would not only help to reduce disparities, but would also increase public spending on basic infrastructure and services. In the same vein, good domestic governance, effective and transparent regulatory mechanisms and the rule of law were stressed as key to the financing for development agenda by many participants.

For a large number of representatives, the current trends in foreign direct investment (FDI) in developing countries were very encouraging. Yet, a major challenge remained: how to promote FDI in lower-income countries or those with less stable governance in order to boost productive economic activity. Many delegations stressed the critical importance of making decisive progress in the current round of multilateral trade negotiations in order to accelerate progress on development and poverty reduction.

A substantial number of participants reiterated the need to achieve the United Nations 0.7 per cent official development assistance target and to deliver on commitments to increase aid, including to Africa, in order to maintain the overall credibility of the Monterrey Consensus and as an essential prerequisite for achieving the Millennium Development Goals. In this regard, many speakers supported further work to develop innovative sources of finance.

In the view of several participants, much had been done to increase debt relief. But long-term debt sustainability continued to remain a significant policy issue for a number of developing countries, particularly the least developed countries.

Many participants reiterated the need to improve the voice and effective participation of developing countries in international economic decision-making. Finally, participants stressed that adapting to climate change was the emerging issue that needed to be linked to the financing for development process.

The General Assembly will shortly begin consultations on a procedural draft resolution to set out the modalities for the Follow-up International Conference on Financing for Development, to be held in Doha in 2008. After informal consultations with Member States and the major groups, I have concluded that this process can most effectively be taken forward by the facilitators that I appointed at the beginning of the sixty-second session: His Excellency Ambassador Maged Abdelaziz, Permanent Representative of Egypt, and His Excellency Ambassador Johan Løvald, Permanent Representative of Norway.

In the spirit of Monterrey, I would encourage all Member States to give their full support and cooperation to the facilitators as they work to conclude agreement on the draft resolution in an open, transparent and inclusive manner, and to present it to the Assembly by the end of the main part of this session.

Once the modalities of the Doha Conference are agreed upon, we can move to substantive discussions on the six chapters of the Monterrey Consensus and other important matters in the early new year.

I declare the High-level Dialogue on Financing for Development closed.

The General Assembly has thus concluded the High-Level Dialogue on Financing for Development and this stage of its consideration of sub-item (b) of agenda item 53.

Organization of work

The President: I would like to make an announcement concerning agenda item 71: Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance, and agenda item 72: Assistance to survivors of 1994 genocide in Rwanda, particularly orphans, widows and victims of sexual violence.

I have requested His Excellency Mr. Jean-Marc Hoscheit, Permanent Representative of Luxembourg, to be the coordinator of the informal consultations on the draft resolutions under agenda items 71 and 72, and he has graciously accepted.

May I request those delegations intending to submit draft resolutions under agenda items 71 and 72 to do so as early as possible in order to allow time, if need be, for negotiations with a view to reaching consensus on the draft resolutions. Representatives are requested to consult the Journal for the announcement of the time, date and venue for the first meeting of the informal consultations on these two agenda items.

The meeting rose at 11.45 a.m.