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Chairperson: Mr. Lundberg (Vice-Chairperson). . . . . (Finland)

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10-57844 (E)

In the absence of Ms. Ochir (Mongolia), Mr. Lundberg (Finland), Vice-Chairperson, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 19: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference (A/65/81-E/2010/83, A/65/130, A/65/293 and A/65/339)

1. **Mr. Trepelkov** (Acting Director, Financing for Development Office, Department of Economic and Social Affairs) introduced the report of the Secretary-General on follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development (A/65/293), and highlighted its salient points.

2. **Mr. Alyemany** (Yemen), speaking on behalf of the Group of 77 and China, said that the economic recovery had not yet reached many developing countries. Reform of the global financial architecture remained unfinished, particularly with regard to ensuring full implementation of agreed financing for development goals. In the meantime, many countries were being forced to divert resources away from development in order to service their debts.

3. Unlike most of the major United Nations economic and social conferences, the 2002 International Conference on Financing for Development had not resulted in the creation of a permanent mechanism to follow up its outcome. That made the work of the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development all the more invaluable. The Group of 77 and China also supported continued discussions on the creation of a new follow-up mechanism for financing for development, in accordance with General Assembly resolution 64/193 and draft resolution 2010/L.12/Rev.1 of the Economic and Social Council, both of which had stressed the need to review the modalities for the financing for development follow-up process. It strongly endorsed the suggestion originally contained in the note by the Secretary-General on coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development (E/2009/48) that such a mechanism should have at its centre a representative, multi-stakeholder “Financing for Development Committee”, subsidiary either to the Economic and Social Council or to the General Assembly.

4. Financing for development was intimately connected with the achievement of Millennium Development Goal (MDG) 8 on a global partnership for development. It was vital for developed countries to meet the official development assistance (ODA) target of 0.7 per cent of gross national income; to provide sustainable and predictable assistance for debt management so that national resources could be liberated for development; and to create innovative sources of funding that would mobilize domestic and international resources in a complementary fashion.

5. The Group believed that expansion of special drawing rights allocations was an effective and low-cost measure that could quickly boost liquidity and provide countries with the means to meet their external financing gaps and implement countercyclical policies. A successful conclusion to the Doha Round would enable international trade to function more effectively as a tool of long-term sustainable growth. The Bretton Woods institutions should be reformed to give developing countries greater representation, with the first step being parity of voting power for developing countries as a group in the decision-making process.

6. **Mr. de Bassompierre** (Belgium), speaking on behalf of the European Union; the candidate countries Croatia and the former Yugoslav Republic of Macedonia; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, the Republic of Moldova and Georgia, said that the recent High-level Plenary Meeting of the General Assembly on the Millennium Development Goals had demonstrated the need for continued global partnership to achieve the internationally agreed development goals, including the MDGs, while keeping in mind the key principle of the Monterrey Consensus that every country had primary responsibility for its own development.

7. The European Union would step up its support to partner countries for strategies to foster good governance, the rule of law, gender equality and sound macroeconomic policies, along with a dynamic, socially and environmentally responsible private sector. Fairer and more effective tax systems could help

mobilize domestic resources, particularly in some of the least developed countries hampered by a narrow tax base, corruption and heavy reliance on natural resource taxation.

8. It was encouraging that foreign direct investment, which had positive spillover effects for domestic economies, had witnessed a modest recovery in the first half of 2010. Foreign direct investment should strike a balance between the right of governments to pursue policy objectives and the need to protect investors.

9. The European Union remained committed to an ambitious, balanced and comprehensive Doha Round agreement. He called on both developed and developing countries to follow the example of the European Union in its “Everything but Arms” programme and provide duty-free and quota-free market access for the least developed countries.

10. The European Union was the world’s largest ODA donor and was committed to collectively reaching the 0.7 per cent target by 2015. But ODA alone would not deliver development. He called on all donors to provide assistance in accordance with the principles of aid effectiveness contained in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. The European Union had adopted its own Operational Framework on Aid Effectiveness, and would continue to emphasize aid effectiveness in the run-up to the Fourth High-Level Forum on Aid Effectiveness in 2011.

11. All stakeholders should step up efforts to find innovative financing mechanisms. The European Union welcomed the ongoing work by the Leading Group on Innovative Financing for Development and took note of the ongoing work of the Task Force on International Financial Transactions for Development and the Task Force on Innovative Financing for Education. It would continue to support debt relief initiatives such as the Heavily Indebted Poor Countries Initiative, the Multilateral Debt Relief Initiative, and the Evian approach to debt restructuring adopted by the Paris Club. It also supported reform of the Bretton Woods institutions to strengthen the voice of underrepresented countries, and saw a need for greater cooperation between the Group of 20 (G-20) and the United Nations.

12. **Ms. Wahab** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), pointed out that while some countries were making a positive recovery from the economic crisis, others were still struggling with its persistent impacts. Raising the coherence and consistency of the international monetary, financial and trading system would require a more efficient and equitable international architecture, including reform of the Bretton Woods system. ASEAN called on the United Nations to play a more fundamental role in that process.

13. She noted the views expressed by the International Monetary and Financial Committee at its recent meeting coinciding with the annual meetings of the Bretton Woods institutions, namely, that reform of the International Monetary Fund (IMF) should focus on three key areas: quotas, governance and mandate. ASEAN strongly believed that equal representation of developing and developed countries in the Fund was critical to its credibility and effectiveness. Welcoming the Committee’s proposal for greater synergies between the Fund and regional financing arrangements, ASEAN called for a stronger political will to expedite the reforms, which it considered would strengthen the mobilization of resources for financing for development.

14. ODA shortfalls had hindered the attainment of the Millennium Development Goals and sustainable development in many developing countries. Asia alone would require $700 billion annually to bridge infrastructure gaps. In that context, ASEAN reiterated its call for developed countries to fulfil their commitments to allocate 0.7 per cent of their gross national income in aid to developing countries.

15. For ASEAN, enhanced mobilization of international and domestic resources, including from foreign direct investment, trade, and tax revenues, remained key sources of financing for development. The Association was also intensifying regional and public-private partnerships for development, for which an enabling international environment, including a fair and rule-based trading system supported by access to trade financing for developing countries, was crucial.

16. The United Nations should ensure the dynamism of the financing for development follow-up process; strengthen the intergovernmental process in that connection; and take stock of the progress made thus far, ensuring effective use of resources and mechanisms. ASEAN was also in favour of innovative sources of financing to supplement the traditional mechanisms, and would remain engaged in further discussions on that matter.

17. **Mr. Acharya** (Nepal), speaking on behalf of the Group of Least Developed Countries, cited the vision

and commitments set out in the 2002 Monterrey Consensus and highlighted the need to mobilize adequate resources for the timely achievement of the MDGs by all, including the poor and most vulnerable. The impacts of multiple and mutually exacerbating crises, together with the adverse and unacceptably disproportionate impacts of climate change, had aggravated the least developed countries' vulnerability. Millions of people in those countries had been pushed to the brink of extreme poverty, owing to their Governments' limited fiscal space for social spending and countercyclical measures, and the need for short-term liquidity and long-term development financing to eradicate poverty and achieve sustained economic growth was greater than ever.

18. International trade was fundamental to development and poverty reduction in the least developed countries, but their performance tended to be weak, as a result of two factors: internally, a lack of adequate domestic productive capacity and trade-related infrastructure, and externally, an unfavourable international trading environment.

19. Foreign direct investment was a major source of development financing, but flows to the least developed countries had fallen by 14 per cent and were down to $28 billion, or approximately 3 per cent of such investment worldwide. In order to draw private-sector investors to countries where finance was acutely needed to maintain basic economic activities, special risk mitigation and institutional guarantee mechanisms should be put in place.

20. However, ODA remained the most important source of development finance in the least developed countries. Net ODA flows to them in 2008 had amounted to about $37 billion, which equated to only 0.09 per cent of donor countries' gross national income (GNI), considerably below the target agreed in the Brussels Programme of Action. If the official target of 0.15 to 0.20 per cent of GNI had been reached, the total amount would have been $60.7 to $80.9 billion. Even that figure was insufficient when compared with the high degree of vulnerability and the disproportionate burden of poverty in the least developed countries. However, any increase in aid must not impinge on policy choices by recipient countries, as only national ownership would guarantee the sustainability of development and effectiveness of official development assistance.

21. Debt service consumed resources which could otherwise have been directed towards productive sectors. The average debt ratio of the least developed countries was 50 per cent higher than the overall developing country average. Despite significant progress made under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI), the debt situation of the least developed countries had been worsened by decreases in trade and fiscal revenues, remittances and capital flows, and increased volatility of commodity prices. The least developed countries appreciated the debt relief efforts made thus far, but stressed the need for further measures, particularly through a debt moratorium and/or outright cancellation, and through extension of the HIPC Initiative. The debt problems of non-HIPC least developed countries must also be addressed.

22. While development was primarily the responsibility of the individual country, the domestic resource base in the least developed countries was very limited and would need to be expanded if they were eventually to graduate from the "least developed" category. Despite significant efforts, not much progress had been achieved in promoting domestic savings in those countries, which remained at around 13 per cent of gross domestic product (GDP). That and other limitations on their prospects of financing development activities from domestic resources made a global partnership for development all the more necessary. In that context, donor countries should practise multi-year aid budgeting in order to fulfil all ODA commitments in a transparent, predictable and accountable manner.

23. He called for an early and equitable conclusion of the Doha Round with a strong development dividend for all, especially the least developed countries; greater access to the developed markets, free from discriminatory trade practices or other barriers; additional aid for trade for the least developed countries; and expansion of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries. The international financial institutions should be more inclusive of the least developed countries and private investors should channel resources into countries where they were needed to sustain livelihoods and maintain basic economic activities. Possibilities for innovative financing should be examined for adequacy, predictability and sustainability, and such financing

should only be viewed as additional to ODA, with due priority being given to least developed countries.

24. The international community must also provide such countries with additional and secure funding, and technology, for adaptation and mitigation of climate change effects, as well as adoption of legally binding and ambitious mitigation measures themselves. Greater voice and involvement of developing countries, including the least developed countries, in the international economic and financial decision-making processes was essential for a transparent and democratic international financial architecture. Lastly, he stressed that: South-South cooperation, as a complement to North-South cooperation was vital to the socio-economic development of the least developed countries.

25. **Ms. Bethel** (Bahamas), speaking on behalf of the Caribbean Community (CARICOM), observed that although the international economic environment for developing countries had generally improved, the CARICOM countries were still struggling to achieve positive economic growth, owing to their very high level of indebtedness, non-concessionary status with respect to resources of the international financial institutions, and erosion of their preferential access to the markets of their major development partners.

26. Facing those formidable challenges, CARICOM countries had continued their economic recovery efforts, with a view to mobilizing domestic resources in support of development. In order to complement those efforts at the regional level, they were working on fiscal policy reforms, including debt management and public expenditure control, financial sector policy reform, and more effective linkage between the financial sector and the real economy.

27. CARICOM had been heartened by the growing recognition of the need to mobilize a full range of international financing to supplement those national and regional efforts, as expressed, inter alia, in the Doha Declaration on Financing for Development.

28. Resource needs to address the challenge of climate change were particularly onerous for vulnerable countries, including the small island developing States of the region. For such countries, there was a definite need to mobilize additional resources to finance adaptation measures in particular. Above all, the international community had to fully grasp the linkage of efforts to tackle climate change with those to achieve the internationally agreed development goals, including the MDGs, and deal with the effects of the recent global crisis. Innovative sources of financing for development would be crucial but must never become substitutes for the fulfilment of developed country obligations with respect to the 0.7 per cent ODA target.

29. Systemic and institutional issues to be addressed included the stability of the international financial system — which must be viewed in the broader context of global economic governance, reform of the international financial institutions and a greater role for the United Nations — and enhancement of the financing for development follow-up and implementation mechanism, which CARICOM saw as a necessary step towards a more coherent approach to development issues, as well as towards greater transparency and inclusiveness in economic decision-making. Additionally, exclusive groupings such as the G-20 must forge stronger links with the United Nations as well as with countries outside their grouping.

30. During the 2010 substantive session of the Economic and Social Council, CARICOM, together with the Group of 77 and China, had submitted a resolution calling for the Committee of Experts on International Cooperation in Tax Matters to be upgraded to an intergovernmental subsidiary body of the Council. CARICOM stood ready to engage actively and constructively with Member States to ensure a favourable conclusion of that issue in the appropriate forum.

31. **Ms. Wang** Yi (China) observed that thanks to the slight recovery of the world economy since the beginning of the year, the developing countries had seen some return of capital inflow, a decline in their costs of external financing, and higher trade volumes. However, levels of unemployment and poverty remained high, and development financing severely inadequate, jeopardizing the achievement of the Millennium Development Goals.

32. The primary responsibility for development financing lay with national Governments, but support from the international community was also crucial. In addition to scaling up official development assistance, the international community should establish and improve global development partnerships on a basis of equality and mutual benefit, implement the Monterrey Consensus, and ensure the achievement of the MDGs by the agreed deadline.

33. The United Nations must continue to play a leading role in development financing, promote the establishment of partnerships between national Governments and all sectors of society, and ensure the coherence of international policies for development, by garnering political will for implementation of the Monterrey Consensus and the Doha Declaration. Coordination of macroeconomic policies would have to be strengthened and balanced growth of the world economy promoted; markets must be opened further and trade protectionism opposed; and the global governance structure must be improved, with specific actions to increase the voice of developing countries.

34. Despite its own difficulties in the financial crisis, China had not only made good on its development assistance commitments, but had also launched new programmes to assist other developing countries. At the recent High-level Plenary Meeting on the General Assembly Millennium Development Goals, Premier Wen Jiabao had announced a series of new measures for assisting developing countries, including reducing and cancelling debts and deepening cooperation in various sectors. China would continue to expand its assistance activities under the umbrella of South-South cooperation, and to participate actively in the international process of financing for development.

35. **Ms. Hay** (New Zealand), speaking on behalf of Canada, Australia and her own country, New Zealand (CANZ), recalled that in the previous year’s session, the Committee had been watching to see whether or not the world would be able to climb out of a global recession. Since then, much progress had been made and key economic indicators were generally pointing in the right direction, although the recovery remained fragile and uneven. Imbalances, both within and between countries, remained at the heart of the difficulties facing the global economy. Unemployment in many countries remained at unacceptable levels, and the social impact of the crisis was still widely felt. Consolidating the recovery was therefore essential.

36. Mobilization of resources for development must continue in order to achieve sustained and inclusive economic growth, promote sustainable development, and eradicate poverty. It was not merely a matter of donors providing more money; there was also a need for a much greater focus on aid effectiveness and donor coordination. Nor was financing for development just about ODA: at Monterrey, the international community had agreed on the need for an integrated approach that would mobilize all sources of financing. ODA recipients must also lay the groundwork for strengthening their economies by mobilizing domestic resources (for example, through increased tax revenues), investing public resources in sectors that would promote sustainable and inclusive development, and creating an environment that would encourage private investment and promote trade. It was, however, also timely to examine whether there was scope to supplement traditional financing mechanisms through innovative measures and new partnerships, particularly with the private sector.

37. Since 2008, countries had worked together to implement the Doha Declaration mandate to strengthen the financing for development follow-up process. An initial cycle of that work within the General Assembly and the Economic and Social Council had now been completed, but further efforts were needed to make the process more efficient.

38. The financial crisis had highlighted the need to improve global economic governance to make the international financial system inclusive and accountable, providing a framework for financial stability and economic growth. In that context, other groupings, including the G-20, had a key role to play. G-20 efforts to press ahead with policies for strong and sustainable global growth could enhance the prospects of developing countries. However, CANZ also saw a need for the G-20 to engage more closely with non-G-20 members and with international institutions, particularly the United Nations.

39. CANZ also welcomed the reforms being carried out by the Bretton Woods institutions to increase the voice and participation of underrepresented countries. Countries were more likely to act on advice from an institution that they felt adequately represented their interests.

40. One of the most effective ways to advance the status of the world’s disadvantaged would be to create a framework within which they could trade more effectively. Canada, Australia and New Zealand therefore remained committed to playing their part in bringing about an expeditious, ambitious and balanced conclusion to the Doha Development Round. Equally important was aid for trade, which could significantly bolster the efforts of developing countries to engage in the multilateral trading system.

41. As it was now necessary to move on from the stimulus and support measures put in place over the past two years, the global focus must now be on managing the tensions between the desire not to jeopardize the recovery and increasingly serious prospects of long-term debt. Canada, Australia and New Zealand remained committed to helping countries both to address unsustainable debt levels, including through the HIPC initiative and MDRI, and to build their capacity for sound macroeconomic management as a safeguard against future debt crises.

42. **Mr. Almeida** (Brazil) said that Brazil was fully committed to the financing for development process, believing that the integrated approach adopted by the Monterrey Consensus and the Doha Declaration offered an effective platform to address the many challenges faced by developing countries seeking to mobilize the necessary resources for development.

43. Brazil remained convinced that the MDGs could be achieved by 2015, provided that international support was forthcoming. While development was primarily a national responsibility, international support was crucial to ensure that developing countries had the necessary fiscal and policy space to implement effective policies, in accordance with national priorities and strategies. The international community should mobilize significant financial resources — additional, stable and predictable — for development, particularly for the poorest countries.

44. As the centrepiece of international cooperation, the renewed global partnership for development would require the full engagement of the international community, including civil society and the private sector. It was incumbent on Member States to deliver on all development commitments, as matter of priority. Since Monterrey, developing countries had undertaken significant efforts to mobilize additional domestic resources for development, but much more was needed if the MDGs were to be achieved by the agreed target date.

45. Based on its own experience, Brazil firmly believed that while economic growth was a necessary condition for development, it had to be complemented by inclusive and participatory social policies. Reflecting the growing international consensus, most developing countries had actively sought to prioritize pro-poor policies and to promote social welfare and reduce inequalities.

46. Effective domestic policies needed to be supported by an enabling international environment. However, the financial and economic crisis had profoundly depressed the prospects for growth in the world economy for years ahead, with long-lasting consequences for development. While private investment flows and foreign direct investment remained below their pre-crisis level, increasing inflows of short-term capital were imposing policy constraints on a number of developing countries.

47. Similarly, international trade flows were recovering, but the losses incurred over the past year had not been recouped. Trade was expected to expand in 2010, but would probably not provide a significant boost to economic growth in most developing countries. In that context, Brazil also noted with particular concern the lack of progress in the Doha Round, and called for the negotiations to be concluded at an early date.

48. On the positive side, the volume of official development assistance had generally increased in recent years. However, the amounts provided by the developed countries, as a group, remained substantially below the G-20 Gleneagles commitment. Brazil reiterated its call to the developed countries to implement fully and promptly their commitments regarding development assistance, in particular that relating to the level of 0.7 per cent of GDP.

49. There was an urgent need to adopt proactive measures to avoid a new debt crisis and promote a comprehensive and durable solution to the external debt problem. In that connection, the United Nations had an important role to play.

50. Brazil was generally pleased with the progress achieved in the first full year of operation of the strengthened intergovernmental follow-up mechanism of the financing for development process. The multifaceted mechanism adopted by the Economic and Social Council in 2009 was a marked improvement, ensuring the continuous monitoring of financing for development throughout the year. The Monterrey Conference, however, was the only major United Nations summit in the development sphere that had not given rise to a permanent intergovernmental body to oversee the implementation of its outcome. A functional commission on financing for development should be established to redress that shortcoming.

51. Since the launching of the Action against Hunger and Poverty initiative at the United Nations, in 2004,

Brazil had been an active participant in mobilizing additional resources for development through innovative mechanisms. Experience thus far had clearly demonstrated that significant resources could be effectively mobilized without detriment to traditional sources of development assistance.

52. As the international community would need to redouble its efforts if the MDGs were to be achieved by 2015, the United Nations should convene a comprehensive discussion on scaling up current initiatives and exploring new mechanisms, while maintaining and strengthening the guiding principles that had ensured the success of initiatives thus far. Given its remit in financing for development issues, the Second Committee was uniquely placed to undertake such a task, with a view to mainstreaming innovative mechanisms into the work of the United Nations.

53. **Prince** Fahd bin Faisal **Al Saud** (Saudi Arabia) said that development aid alone would not produce development. Adherence to United Nations resolutions and conventions was the best way to overcome the global economic crisis and achieve the MDGs. Developing countries and the least developed countries should have a greater voice in the formulation of global economic policy. His country had implemented a number of recommendations by multilateral organizations such as the United Nations Conference on Trade and Development (UNCTAD) in order to streamline productivity.

54. Over the preceding decades, his country had contributed tens of billions of dollars to development; to disaster recovery, including in Haiti and Pakistan; and to post-conflict reconstruction in Iraq, Lebanon and the Gaza Strip. Its development assistance had taken the form of loans, grants, and debt forgiveness channelled through the Saudi Development Fund, the Islamic Development Bank, and the World Food Programme. Saudi Arabia had been a pioneer in providing development aid to Africa and around the world, and consistently exceeded the 0.7 per cent ODA target by a wide margin. It also provided development assistance through the Organization of Petroleum Exporting Countries (OPEC) Fund for International Development.

55. **Mr. Sayeed** (India) welcomed United Nations efforts to follow up on the Monterrey Consensus and the Doha Conference, including the Fourth High-level Dialogue on Financing for Development and the high-level review of the Millennium Development Goals (MDGs), and said that the international community's commitment to offer predictable development assistance including ODA, concessional financing, debt relief to developing countries and support for nationally owned development strategies, must be met urgently. India welcomed the renewed commitments by some countries to reach the ODA target of 0.7 per cent of GNI by 2015, to channel at least 50 per cent of aid increases to Africa and to meet the target of 0.15 to 0.20 per cent of GNP to the least developed countries.

56. India hoped that the completion of an ambitious Doha Round, expansion of aid for trade, strong assistance from international financial institutions and policies of financial inclusion would strengthen the capacities of developing countries to mobilize greater domestic resources in the medium and long term. He called for comprehensive reform of the international financial architecture to address systemic issues and said that India had been working to ensure a greater voice and participatory space for developing countries in the international financial institutions.

57. Innovative sources of financing must be expanded to support the global development agenda. In that connection, India welcomed and commended the work of the Global Alliance for Vaccines and Immunization (GAVI) to support the International Finance Facility for Immunization. Such models could also be replicated to support global action in areas such as education, food security, environment and climate change. However, while new tools of development financing or strengthening the capacity of developing countries could at best bring additional resources, they were no substitute for ODA. Similarly, while technical assistance was expanding, it could not replace the North-South commitment. In conclusion, it was crucial to adhere in letter and spirit to the financing for development process, as embodied in the Monterrey Consensus and the Doha review conference.

58. India remained fully committed to supporting the development needs of the South. It had extended lines of credit worth more than $5 billion to developing countries since 2003 to enhance their participation in global trade. Its annual outlay on concessional lending and grants was over $1 billion, covering countries in its region, in Africa and beyond. Indian companies had invested more than $15 billion in Africa in recent years.

59. **Mr. Glucksman** (United States of America) said that, while the global economy continued to mend, collective will and commitment would be needed to meet remaining challenges, in order to provide the basis for a more balanced and therefore more sustainable global recovery. The recent High-level Plenary Meeting on the MDGs had highlighted the role of sustained and inclusive economic growth in poverty alleviation, improving education, combating disease, or tackling environmental challenges. With global recovery and achievement of the MDGs inextricably linked, the Second Committee's work on macroeconomic issues had perhaps never been more relevant or important. It must focus on concrete and sensible ways in which the United Nations development system could use its comparative advantages to support and inform global economic recovery and reforms.

60. The United States believed in the importance of expanding trade opportunities to stimulate market-led economic growth and development. An ambitious and balanced result in the Doha Round negotiations was the key to generating new trade flows and meaningful market opening, particularly in the world's fastest-growing economies. The United States remained ready for the serious, sustained and direct bilateral negotiations needed to bring the Doha Round to its market-opening conclusion, as well as the ongoing multilateral work in the World Trade Organization.

61. In combination with trade liberalization, countries could accrue significant benefits from pro-market domestic reforms. The United States encouraged countries to make the critical reforms and investments needed to diversify exports and improve their competitiveness in the global economy, and would continue to be a leader in providing technical assistance to that end. It was pleased that many countries had already seen the benefits of resisting protectionist actions in response to global financial shocks and encouraged continued vigilance.

62. The United States appreciated the important work being done by the International Monetary Fund (IMF) and the World Bank, and within the G-20, to enhance the voice of developing countries, provide additional resources for low-income countries and support more flexible policy frameworks. The lively and useful discussions that had taken place in the Economic and Social Council and Bretton Woods institutions in 2010 had provided a valuable opportunity for the United Nations development system to share its unique perspective and expertise in a manner respectful of the mandates and governance of the Bretton Woods institutions.

63. Perhaps the most significant recent development had been the emergence of the G-20 as the premier forum for international economic cooperation. The G-20 represented East and West, North and South, advanced economies and those still emerging. Together, the Group represented some 85 per cent of the global economy, with challenges as diverse as its member nations. The G-20 had forged a coordinated response to the worst global economic crisis in recent history. The United States welcomed efforts by the Republic of Korea to brief the United Nations membership, as other G-20 hosts had done, and to explore other avenues of communication between the two organizations.

64. The United States continued its efforts to support debt sustainability and to provide debt relief where needed, within the parameters and rules of existing frameworks. Significant success had been achieved over the previous decade in meeting commitments, most notably through the Enhanced HIPC Initiative, the Multilateral Debt Relief Initiative and the establishment of the joint World Bank-IMF Debt Sustainability Framework. The Paris Club should continue to find coordinated and sustainable solutions to the payment difficulties of its debtor countries on a case-by-case basis.

65. The United States continued to stand firmly behind the principles and focus of financing for development as articulated in the Monterrey Consensus and Doha Declaration. Development required an inclusive global partnership drawing on an array of vital resources including domestic resources, trade, foreign direct investment and other private flows, remittances, official development assistance, and South-South cooperation. With regard to "innovative finance", the United States supported exploring new ideas to bolster development and accelerate achievement of the MDGs. However, those approaches should be evaluated on a case-by-case basis.

66. The financing for development agenda remained impressively dynamic and, within its existing frameworks and processes, continued to offer new perspectives and approaches for development. Development, however, was about more than just resource flows. As President Obama had noted in his statement at the High-level Plenary Meeting on the

Millennium Development Goals, for too long efforts had been measured by dollars spent and food and medicines delivered, but aid alone was not development. Development was helping nations to actually develop — moving from poverty to prosperity. The United States strongly supported the aid effectiveness agenda and core principles outlined in the Paris Declaration on Aid Effectiveness and reaffirmed in the Accra Agenda for Action. The success of the evolving global partnership would depend on a collective ability to respect and pursue national ownership, improved harmonization, better alignment of programming, improved results and mutual accountability.

67. **Mr. Alzarooni** (United Arab Emirates) said that the international community should remain committed to implementing the recommendations of the 2002 International Conference on Financing for Development and the 2008 Review Conference. He stressed the need to maintain the political will to overcome obstacles to full implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and to ensure that the financial crisis did not result in a scaling back of financial and technological assistance to developing countries.

68. His country had managed to avoid the ill effects of the crisis through precautionary measures and judicious use of oil revenues. Foreign investment in the United Arab Emirates had remained high relative to other countries during the economic downturn.

69. His country's success in weathering the crisis had allowed it to maintain its development assistance to other countries in excess of the 0.7 per cent target rate for ODA. It had provided direct assistance in the form of unconditional grants and soft loans to approximately 100 countries. The Abu Dhabi Fund for Development had provided billions of dollars for hundreds of projects in dozens of countries. The Dubai Giving Campaign supported education for millions of children, while the Noor Dubai campaign provided treatment to persons suffering from eye disease. The recently launched Pacific Islands Partnership Programme had already established a $50 million fund for education, social services, infrastructure and renewable energy projects in Pacific island States. His country took part in the development activities of regional organizations such as the League of Arab States, the Organization of the Islamic Conference and the Organization of Petroleum Exporting Countries, and it had doubled the volume of its trade with Africa in the previous three years. It supported debt relief and debt cancellation for poor countries.

70. **Mr. Doré** (France) said that France believed that the international community should work together to ensure that the flaws in the international economic and financial system that had caused so much damage did not remain unrepaired. The outcomes of the annual meetings of IMF and the World Bank that had just been held confirmed the need to monitor the crisis closely and to continue cooperation as the key to success. Foundations had to be laid for inclusive, lasting and balanced growth if the promises of Monterrey and Doha were to be kept. The crisis had brought out the full importance of safety nets to deal with its impact, and social protection should be enhanced. In his statement of 2009 to the International Labour Organization (ILO) on the global employment crisis, the President of France had stressed the need to combine economic and social progress. It had become clear that a lasting solution to the crisis required growth through job creation. In presiding over the G-20 in 2011, France would advocate implementing a universal framework of social protection, working closely with ILO and the World Health Organization. Long-term structural effects of the crisis on financing for development should likewise be avoided. In presiding over the G-20, France would work towards that aim, already advanced by the Republic of Korea, and would encourage the G-20 to take into account the specific needs and special circumstances of developing countries.

71. With five years remaining to achieve the MDGs, there was much to be done. New models were needed for development financing and for the global commons. Traditional ODA could not accomplish everything. New sources of financing to combat poverty and to achieve the MDGs were required. A declaration had already been signed by Belgium, Brazil, France, Japan, Norway and Spain as members of the Leading Group on Innovative Financing for Development. The Declaration supported innovative sources of financing, including a minimal levy on financial transactions, to fund development, which expert reports had shown to be technically, legally and economically feasible. New countries were joining the initiative and France would pursue it during its presidency of the G-8 and G-20, hoping to work closely on it with the United Nations.

72. France believed that the forms of governance inherited from the twentieth century could not continue

and agreed with the Secretary-General that the following year would open up boundless possibilities. France hoped to participate in that reform to help bring about a new global governance embodying greater solidarity. Reforming global governance would be one of France's highest priorities, together with reforming the international monetary system and combating the volatility of raw materials prices. France hoped, in particular, for closer cooperation between the G-20 and the United Nations, unquestionably the only organization that had universal legitimacy. Such cooperation and complementarity had prevented the economic and financial crisis from having even more dramatic consequences and should continue. In that regard, France welcomed the initiative announced by the President of the General Assembly to hold informal meetings before and after the Seoul summit.

73. **Mr. Vasiliev** (Russian Federation) expressed his delegation's conviction of the continuing relevance of the Monterrey Consensus and the Doha Declaration and its belief that those instruments offered the wherewithal for an effective response to current development challenges, including the global financial crisis and the adverse effects of climate change. Among the priority tasks faced by the Second Committee in tackling the issue of financing for development, he identified ensuring full compliance by donors with their aid commitments to developing countries; opposing the creation of barriers to the free movement of goods and services from developing countries on the pretext of a response to the financial crisis; and boosting the involvement of developing country representatives in the work of the leading international financial institutions.

74. Pledging the Russian Federation's resolve to step up its support for the financing of development, he noted that his country's bilateral and multilateral assistance to countries in need had totalled US$ 800 billion in 2009, without including billions of dollars in debt write-offs. Turning to the reform of the management structures of IMF and the World Bank, he stressed the need to realign their voting rights to boost the role of countries with evolving market economies in their decision-making processes.

75. Lastly, he called on the Committee to adopt a substantive resolution on financing for development, conducive to strengthening cooperation between the United Nations and the international financial institutions on the basis of their respective mandates.

76. **Mr. Yasin** (Ethiopia), expressing appreciation for the readiness initially registered by development partners to meet their commitments and to improve the quality of aid, nonetheless noted that the pace of progress towards meeting the goals of the Monterrey Consensus left much to be desired. Coordination, national ownership, alignment and harmonization were key requisites yet to be met, and meaningful participation by developing countries in the development financing framework was of paramount importance. Given the projections on the global poverty rate contained in the report of the Secretary-General on follow-up to and implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development (A/65/293, para. 4) and the impact of the global recession on developing countries' revenue, the need for fulfilment of commitments, solidarity and coordinated responses to current challenges, was clear.

77. Mobilizing domestic and international financial resources for development was hampered by persistent volatility in international financial markets. Like other developing countries, Ethiopia was disadvantaged in mobilizing international financial resources. And, like many other heavily indebted poor countries (HIPCs), it had unresolved external debt issues under the Enhanced HIPC Initiative with some of its non-Paris Club and commercial creditors. Non-Paris Club creditors had not yet delivered debt relief to Ethiopia according to the HIPC debt relief initiatives, affecting the country's long-term debt sustainability and diminishing the resources available to finance development and infrastructure. That situation should be considered in any undertaking of debt analysis by the World Bank and IMF.

78. His delegation appreciated recent measures by the World Bank and IMF to include remittances in the Debt Sustainability Framework for Low-Income Countries. Remittances and exports enhanced a country's foreign exchange reserves and thus, its repayment capacity. The decision by the World Bank Group to add a third seat for sub-Saharan Africa to its Executive Board was a milestone in its efforts to boost representation of developing and transition economy countries.

79. In supporting development of the most vulnerable countries, especially in Africa, it was critical that policy allow for adjustment to global circumstances. The crisis had again made it abundantly clear that the business-as-usual conduct of the global macroeconomic

system had to change. Ethiopia welcomed encouraging signs in that regard by development partners and believed more results would be forthcoming if the necessary support and freedom were given to developing countries to experiment with policies appropriate to their development challenges, bearing in mind that immediate fulfilment of all ODA commitments was key to achieving concrete development outcomes on all fronts.

80. **Ms. Ekker** (Norway) said that the consensus reached in Monterrey and Doha on who was responsible for what in financing for development was at the heart of the global partnership and should be assessed continuously in light of developments in the world economy. Strong economic growth and increased revenues were crucial in advancing towards halving extreme poverty by 2015. Norway called on developing countries to mobilize even more of their domestic resources to fight poverty by broadening the tax base, combating corruption and improving transparency and accountability.

81. Official Development Assistance (ODA), an essential complement to other sources of development financing, would remain a critical element, especially for the least developed countries and countries in conflict or in transition from conflict. Norway had raised its ODA to over 1 per cent of gross national income and encouraged other Member States to do their part. It was crucial to curb the illicit financial flows out of developing countries, often facilitated by tax havens, which were estimated to be many times higher than total global development assistance.

82. The size of the poverty challenge also called for scaling up innovative financing. Several countries, including Norway, had agreed to work to introduce a levy on financial transactions which, applied on a large scale to a wide range of transactions, could provide stable and substantial financing for development. All Member States should join forces in implementing the Monterrey Consensus, the Doha Declaration on Financing for Development, as well as the outcome document of the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals.

83. The G-20 had taken on a critical role in coordinating actions to speed up the global recovery. Those same actions would have a bearing on prospects for meeting international development goals and could be even more effective if they were better coordinated with those of other Member States. Thus, common efforts would be enhanced by closer collaboration between the G-20 and the United Nations. Norway supported the efforts of the President of the General Assembly in that regard.

84. **Mr. Al-Nasser** (Qatar) said that the international community's desire to apply and implement the Monterrey Consensus and the Doha Declaration were commendable. Developed and developing countries alike should cooperate in giving effect to what had been agreed upon, whether through faithful application or through launching of positive initiatives to support implementation, particularly with a view to achieving the goals set out in the United Nations Millennium Declaration. Developing countries were striving to apply the concept of good governance in all political and economic areas against a background of rapid local and regional changes and challenges. The initiatives of developed countries and the G-20 were noteworthy but should not eclipse the role of the United Nations or the right of all States to participate in international decision-making, as affirmed by the Global Governance Group, of which Qatar was a member.

85. The modalities of the International Conference on Financing for Development had made it a unique landmark in international cooperation for development. Participation by Heads of States, the World Bank, IMF, WTO and representatives of the business community and civil society on an equal footing had given the Conference the special importance and international dimension necessary to meet the challenges of globalization and to move from unfruitful conflict and confrontation to a framework of equitable partnership. The multidimensional economic and financial crisis had demonstrated the importance of such concerted international action to preserve gains made towards achieving development goals, including the MDGs, through practical measures leading to agreement on the Doha Round, reform of the international financial institutions and fulfilment of ODA commitments.

86. Emphasizing the linkages between development financing and trade support, he urged countries to refrain from resorting to protectionism. Just as the 2008 Review Conference held in Qatar had provided a timely opportunity to focus on relevant issues, the current session of the General Assembly provided an opportunity for renewed commitment to the development dimension of the Doha Round. Noting

that the Bretton Woods system had been unable to adapt to the economic and political changes of recent decades, he called for a new international trading economic and financial system that was just and equitable and gave all countries sufficient voice and representation. Qatar, although a developing country, provided development assistance exceeding 0.7 per cent of its net domestic income, aware that successful development was directly dependent on enhancing the development of its trade and finance partners. One could not write one's own success story without ensuring the success of others. Peace and economic security depended on the success of multilateral negotiations and on forging proposals and solutions beneficial to all on the basis of fair partnership.

87. **Ms. Al-Hadid** (Jordan) said that although the impact and resulting challenges of the financial and economic crisis differed across countries and regions, the crisis had jeopardized years of progress in combating poverty and consolidating economic growth everywhere. Developing countries had been resilient in dealing with its initial impact but many were now facing serious medium-term fiscal sustainability issues. Sustainable development should therefore be a key element of United Nations activities, particularly those designed to achieve internationally agreed development goals. The Monterrey Consensus, a mutual accountability pact adapted to reflect the changing global environment, remained a solid basis on which to build a more comprehensive framework for addressing global issues. Efforts should focus on identifying innovative financing mechanisms to deliver scaled-up aid to developing countries and to promote aid effectiveness, while recognizing that each country had primary responsibility for its own economic and social development and that domestic conditions for mobilizing domestic savings, sustaining adequate productive investment and increasing human capacity were critical to the common pursuit of growth, poverty alleviation and sustainable development. Stronger coordination among the United Nations system and all other multilateral financial, trade and development institutions and continued policy dialogue among countries at the regional level on macroeconomic, financial, trade and development issues would be key to that endeavour. Reforming the international financial architecture meant strengthening the efficiency of financial markets and reducing vulnerability to crisis. Such reform efforts must lead to greater transparency and the effective participation of developing countries in decision-making processes.

88. In conclusion, she said that a universal, rules-based and equitable multilateral trading system could substantially stimulate development worldwide, benefiting countries at all stages of development.

89. **Mr. Nkombela** (South Africa) pointed to growing recognition that existing mechanisms, such as the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, and the High-level Dialogue on Financing for Development, were not as strong and successful as desired and had not produced the agreed outcomes. The Monterrey Consensus and Doha Declaration, on the other hand, were landmark agreements and should be viewed as important steps forward for international cooperation between the United Nations and the multilateral financial and trade institutions. An effective, inclusive intergovernmental process was needed to carry out the financing for development follow-up prescribed by those instruments. During the current session, the General Assembly, before envisaging a follow-up on financing for development in 2013, should lay the foundation for the establishment of an intergovernmental body to ensure that the decisions taken on financing for development were implemented expeditiously, and to monitor and promote the implementation of conference outcomes.

90. The Monterrey Consensus had been adopted as a single resolution and should be addressed as such. It was critical that the six aspects of the Monterrey Consensus be treated as a package, not piecemeal, on the understanding that all the elements should be discussed before a final decision was taken, giving equal weight and attention to domestic and international commitments.

91. Any consideration of exiting from extraordinary support measures introduced to overcome the global economic and financial crisis should come only after recovery was firmly in place. Exit strategies should contemplate the potential impact on smaller, emerging market economies. South Africa continued to advocate the replenishment of the World Bank's International Development Association (IDA) and the African Development Bank. It also saw the debate on increasing aid flows to the least developed countries, particularly in sub-Saharan Africa, in line with

commitments made at the G-20 Gleneagles Summit, as an important means towards poverty reduction.

92. Developing countries needed fiscal and policy space to pursue their national goals and policies, and resources to employ counter-cyclical policies. Referring to the Basel Accord entitled “International Conveyance of Capital Measurement and Capital Standards: a Revised Framework (Basel II), he urged countries that had not yet met the minimum requirements under the current Basel II framework to implement the necessary legislative reforms to do so, especially as the revised global liquidity proposals were higher than those stipulated in Basel II. The South African banking system had unique structural characteristics that would make it difficult to conform to the proposals on global liquidity without adversely affecting bank profitability, the costs of funding, credit extension and the wider economy, or leading a sell-off of bank assets. Overzealous regulation could thus hurt emerging economies at a time when they were most fragile.

93. There should be room for national discretion in determining how financial sector taxes were to be designed and implemented, and financial regulation should be aimed at promoting both financial stability and inclusion. South Africa supported efforts to improve global regulation in a consultative manner, allowing for national discretion and taking into account developing country interests, particularly efforts to improve cross-border crisis resolution regimes.

94. South Africa supported the view that in order to curb unemployment in the short to medium term, macroeconomic policies should emphasize sustained economic growth, poverty reduction, and continued countercyclical measures, and that the private sector should be the main source of employment. He stressed the need for regulatory frameworks and policies that provided an enabling environment in which private productive activities could advance economic and social development.

95. **Mr. Islam** (Bangladesh) said that three years after the financial meltdown, many least developed countries, through no fault of their own, were still suffering, lacking clear direction and far from economic recovery. To contain the turmoil, developing countries, particularly the least developed, needed to implement countercyclical measures but lacked sufficient fiscal revenue to do so. Development partners should come forward with a stimulus package providing immediate liquidity and long-term development initiatives, rather than serving up high-sounding financial jargon such as “innovative resources”, or “budget” and “corruption packages” that was of no help to the least developed countries. His delegation reiterated its appeal for a United Nations fund to fuel crisis-ridden economies. The need for such a fund had emerged the previous year, when World Bank and IMF lending to developing countries had been only US$ 12.8 billion and US$ 70 billion, respectively, against a financial gap of US$ 350 billion. Countries like Bangladesh, with a strong foreign currency reserve, had survived by spending domestic savings while most least developed countries remained helpless. The financial gap in 2010 was projected at US$ 315 billion.

96. The Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development had highlighted the need for a new global financial and economic architecture, and for the establishment of a group with a wider mandate to assess the damage and find means to overcome it. The global financial architecture had systemic problems, such as failure to provide the poorer countries with the liquidity needed to reconcile their balance of payments and development financing in a predictable manner. The international community should therefore consider establishing an international debt arbitration and debt workout mechanism.

97. The Monterrey Conference had thus far been viewed as a United Nations success story, but that success was marred by the long stalemate of the Doha Round and the failure of most development partners to deliver on their commitments. Bangladesh was dismayed that the Monterrey Conference had been the only major United Nations conference in the economic and social field that had not resulted in a permanent intergovernmental body to oversee and promote implementation of its outcome. The result was obvious: with the exception of a few countries, most had not yet fulfilled the commitments they had pledged almost a decade previously.

98. All development partners should fulfil the pledges they had made in Monterrey eight years previously, in particular their commitment to donate 0.02 per cent of GNI to the least developed countries. The economic and financial crisis, food and fuel crisis and climate change must not become excuses for

non-compliance. Furthermore, official development assistance should be scaled up, as the 0.7 per cent target established for the first development decade was no longer sufficient in the current situation.

99. Bangladesh looked forward to the review of the modalities for the financing for development follow-up process, as called for during the sixty-fourth session of the General Assembly and to seeing the Secretary-General's proposal on establishing a group for that purpose come to fruition. As suggested, the mechanism might take the form of a subsidiary body of the Council or the General Assembly with a specific mandate and terms of reference. He stressed the importance of an equitable geographical balance in the membership of both the Ad Hoc Open-ended Working Group on the Financial Crisis and the committee or group to review the financing for development follow-up process, with clear representation by all countries, especially the least developed countries which had been the hardest hit by the crisis. Reiterating the linkages between development financing and the MDGs, he said that Goal 8 on a global partnership for development should be fleshed out with specific targets and indicators, especially with regard to short-term liquidity supply and long-term development assistance. His delegation was prepared to provide the necessary inputs in that regard to the financing follow-up group and the Ad Hoc Open-ended Working Group.

100. The crisis had also renewed the role of special drawing rights (SDRs) as a source of financing for development. Pending the restructuring of the Bretton Woods institutions, SDRs should be ensured for low-income countries irrespective of their quota and share in management. Bangladesh repeated its call to transfer responsibility for grant disbursement from the Bretton Woods institutions to a United Nations fund.

101. To make the poorer countries independent of SDRs, ODA or grants, the developing countries should be allowed to become players in the field of trade and development. The long-stalled Doha Round should be brought to a conclusion with all agricultural subsidies lifted; products from the least developed countries should be granted duty-free and quota-free access to developed country markets, and free movement of services under Mode 4.

102. **Mr. Rosales Díaz** (Nicaragua) lamented the growing tendency of donor countries to reduce their ODA, which was a breach of their international commitments and showed a lack of political will to redress historical injustices. Their reticence to honour commitments was all the more inexplicable in light of their enormous military expenditures. To be effective, ODA should be non-political and foreseeable. It appeared that political perceptions in the North had become the main determinant of ODA, overriding the fight against poverty and the need to improve access to education and health, reduce maternal mortality and ensure food and water for all. The aim of financial cooperation should not be to silence the independent voices and ideas of the world's poor countries or perpetuating unsustainable neo-liberal paradigms but rather to support the economic development and well-being of peoples.

103. It was morally unacceptable that billions of dollars were earmarked for bailing out the world's richest banks while the world's poor continued to pay the price of global crises through more hunger, disease and death. It was increasingly clear that globalization without global institutions adapted to the changes taking place was reducing the planet to chaos. Unfettered greed had reached its logical and destructive conclusion, placing the world's nations and peoples in the most critical conditions they had ever experienced. The neo-liberal model encouraged profits that entailed pollution and destruction of the environment and natural resources, global warming, speculation, concentration of wealth, and the perpetuation of poverty and its dire consequences.

104. The current crises should spur the international community to fight for the establishment of a new economic model — a model that was ethical, moral, and based on the pressing needs of humanity. The new model must be designed to eliminate the growing gap between rich and poor, and should be environmentally and socially sustainable. It should also be truly democratic and ensure that decisions affecting millions of human beings were not left to a handful of nations. Lastly, it should provide for the establishment, through the United Nations, of a new international monetary and financial system. That was the prescription for overcoming the current economic model, which was merely a palliative against the unjust and criminal economic system. Nicaragua would continue steadfastly to strive for a better, more just and equitable world where progress in development achieved by mankind through the centuries could at last become the common heritage of all.

105. **Mr. Mizuguchi** (Japan) said that the series of high-level meetings that opened the current session of the General Assembly clearly indicated that the world faced a multitude of development challenges, such as the achievement of the Millennium Development Goals (MDGs) and protection of the environment, which required appropriate financing. The lingering effects of the world economic and financial crisis at all levels made adequate financing more critical than ever. Guided by the Monterrey Consensus, which emphasized shared responsibility for development and the need for a wide range of financial resources, all stakeholders, including emerging economies, international organizations, foundations, corporations and academia, should work hand in hand to secure the wherewithal necessary resources. Still, financing was not an end in itself but a means of realizing development, which called for a result-oriented approach attentive to output and outcome as well as effective delivery of resources.

106. Japan had been actively contributing to development financing and its effective delivery. At the High-level Plenary Meeting, Japan had announced its substantial contribution to the achievement of the MDGs, committing $5 billion in assistance over five years, beginning in 2011, to help reach the health-related MDGs, and $3.5 billion over the same period for assistance to education. Japan had put forward assistance models of maternal and child health care ("EMBRACE") and community-based basic education ("School for All") specifically designed to link funding to concrete results.

107. Japan took a similar approach in supporting Africa through its Tokyo International Conference on African Development (TICAD) process and intended to carry out the commitments it had made at TICAD IV in 2008, such as doubling its ODA and to provide assistance for doubling Japanese private investment to Africa by 2012. Japan's focus was on how best to translate increased aid into concrete results and actual improvement of the lives of the African people by taking a comprehensive approach to boosting economic growth, ensuring human security and addressing environmental issues simultaneously. While ensuring that Africa was in the driver's seat, Japan would also be collaborating closely with other partners, including emerging donors, private sector and non-governmental organizations (NGOs).

108. As its own experience had shown that free trade was an engine for sustained economic growth, Japan was committed to rejecting all forms of protectionism and bringing the Doha Round negotiations to a successful conclusion as soon as possible. Japan encouraged developing countries to enhance their export capacity through improved trade-related infrastructure and institutions and under its "Development Institutions for Trade 2009" initiative, had made available $12 billion in financial assistance and organized the exchange of 40,000 trainees and experts.

109. Vigilance on debt sustainability was needed in order to guard against a new debt crisis. He reiterated the Doha Declaration's appeal to all creditors to become involved in international debt resolution and welcomed the swift responses by IMF and the World Bank. Expressing support for reform of international financial governance, he said that a more robust and stable global financial system would require greater legitimacy, credibility and effectiveness. The next IMF quota review process should be completed as scheduled and quota shares should appropriately reflect the relative weights of members in the world economy.

110. With regard to innovative financing, there was a need to evoke greater interest and engagement by a broad range of countries. Welcoming the opportunity for discussion as provided by the informal event on innovative sources of development finance, held at United Nations Headquarters in June, he announced that Japan, as the current President of the Leading Group on Innovative Financing for Development, would host its eighth plenary meeting. His delegation hoped that the forthcoming meeting would further invigorate international debate on innovative financing, thus contributing to achievement of the MDGs and other international development goals.

The meeting rose at 12.55 p.m.