United Nations A/66/PV.77

General Assembly

Sixty-sixth session

Official Records

77th plenary meeting
Wednesday, 7 December 2011, 10 a.m.
New York

President: Mr. Al-Nasser .... (Qatar)

In the absence of the President, Mr. Quinlan (Australia), Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 18

Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

High-level Dialogue on Financing for Development

The Acting President: The General Assembly will convene the fifth High-level Dialogue on Financing for Development, under agenda item 18, in accordance with General Assembly resolutions 65/145 and 65/314 of 20 December 2010 and 12 September 2011, respectively.

The overall theme of the fifth High-level Dialogue is "The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead". The High-level Dialogue will consist of plenary meetings, three interactive multi-stakeholder round tables and an informal interactive dialogue. As Members are aware, a detailed programme is contained in the *Journal* of the United Nations.

I will now proceed to read an opening statement on behalf of the President of the General Assembly.

The President of the General Assembly, His Excellency Mr. Nassir Abdulaziz Al-Nasser, regrets that he could not join us for today's event. As the Acting President, I am pleased to make the following remarks on his behalf:

"I am pleased to welcome everyone to the fifth High-Level Dialogue on Financing for Development.

"Following two years of a fragile and uneven recovery from the world financial and economic crisis, we are meeting at a time of heightened concern over another major global economic downturn.

"The sovereign debt crises in Europe, the continuing jobs crisis in developed countries, weaknesses in the financial sector and volatile food and energy prices are among the most pressing challenges confronting the global economy. Moreover, political divides over how to tackle those problems and calls for fiscal austerity are impeding effective and coordinated policy responses. This meeting provides a timely opportunity to address those serious challenges, within the framework of the Monterrey Consensus and the Doha Declaration on Financing for Development.

"Strong and sustained global economic recovery is necessary for developing countries to effectively mobilize domestic resources for development. Fragilities in the global economy, including the risk of spillovers from developed countries, reversals in private capital inflows, exchange rate misalignments and commodity price volatility, continue to hamper their growth prospects.

"Given that environment, it is critical that developing countries undertake measures to address poverty and expand productive employment opportunities. Financing such measures on a sustained basis will require considerable levels of external assistance.

"While the past few years have witnessed a strong revival in private capital flows to developing countries, that trend shows signs of weakening, if not reversing. Short-term portfolio equity flows to developing countries went into a tailspin in the second half of this year, in line with the high volatility that is typical of those flows. Given their volatile nature, greater consideration should be given to measures that mitigate their potential destabilizing effect.

"Foreign direct investment (FDI) flows to developing countries are also likely to be adversely affected in the event of a renewed slowdown in the global economy. That is worrisome, as FDI tends to be more stable and long-term in nature compared with other private flows.

"An important trend in recent years has been the growth in South-South investment flows. In areas where they have a positive development impact, those flows should be encouraged, especially in the context of South-South cooperation.

"The development potential of international trade continues to be limited by a wide range of tariff and non-tariff restrictions and by agricultural subsidies in developed countries. Consequently, it remains imperative to arrive at a successful and development-oriented conclusion to the Doha Round of multilateral trade negotiations.

"At the Cannes Summit, the Group of 20 (G-20) leaders reiterated their support for the Doha Development Agenda mandate and stressed the need for fresh, credible approaches to furthering trade negotiations, including issues of concern for least developed countries (LDCs). After almost a decade of multilateral trade negotiations, the share of LDCs in world trade remains extremely low. It is important for the international community to deliver on its promise to provide duty-free and quota-free access for all products originating from LDCs, and to increase resources for Aid for Trade to enable poorer countries to enhance their trade competitiveness.

"Given the continuing economic difficulties faced by developing countries in the aftermath of the global financial crisis, it is imperative that developed countries fulfil all of their commitments regarding official development assistance (ODA). In 2010, ODA reached a record level of $128.7 billion — equal to 0.32 per cent of the combined gross national income of members of the Development Assistance Committee of the Organization for Economic Cooperation and Development. However, many larger donors remain below the United Nations target of 0.7 per cent. There continues to be an urgent need to increase the volume, quality and reliability of aid flows to meet the internationally agreed development goals, including the Millennium Development Goals. I would also like to emphasize here the potential of innovative financing mechanisms to complement existing ODA.

"Despite improved external debt indicators in a number of developing countries, concerns remain about debt sustainability, which could be adversely affected by spillover effects from the European debt crisis and other risk factors, such as volatile energy and food prices and exchange rate instability. The effectiveness of debt sustainability frameworks needs to be re-examined through further work at the inter-agency level. Efforts are also needed to design instruments and institutional mechanisms to better deal with debt distress.

"Following the world financial and economic crisis, the issue of international financial stability has increasingly been viewed in the context of reforming the mechanisms of global economic governance. In that connection, it is critical to strengthen macroeconomic policy coordination and ensure greater coordination and complementary efforts among the G-20, the United Nations and other multilateral organizations. The recently established practice of convening informal meetings of the General Assembly before and after the G-20 summits represents an important step in that direction.

"It is also crucial to reform the major institutions of global economic governance in order to ensure greater voice and participation for developing countries. Such reform is essential if those institutions are to respond to the new challenges of globalization and the realities of the twenty-first century.

"While there have been some important achievements during the period since the Monterrey Conference, there is considerable scope for more decisive and effective action. Given the serious state of the world economy, it is all the more imperative that the commitments and agreements reached in Monterrey and Doha be fully implemented.

"This High-level Dialogue provides a timely opportunity for further momentum in that direction. It will pave the way for other significant conferences dealing with development issues next year, such as the thirteenth session of the United Nations Conference on Trade and Development and the United Nations Conference on Sustainable Development.

"We need to seize this moment and take an important step towards promoting development for all."

I now give the floor to the Deputy Secretary-General, Her Excellency Ms. Asha-Rose Migiro.

The Deputy Secretary-General: I am pleased to address this fifth High-level dialogue of the General Assembly on Financing for Development.

We are meeting at a time of continued crisis and uncertainty, not only for the world's poorest and most vulnerable, but also for most donor countries. Recovery remains fragile and uneven. Unemployment and vulnerable employment persist. Poverty is on the rise owing to high food and energy prices. In the Horn of Africa, famine threatens more than 13 million people.

As a result, many developing countries need additional assistance to cope with the impact of the crisis and to expand their social safety nets. Yet most donor countries, faced with mounting debts, are tightening their budgets. They face a vicious circle of low growth, low revenue and high debt.

In that difficult environment, it is critical that donor countries fulfil their commitments to official development assistance. That was the key message the Secretary-General brought to the High-level Forum on Aid Effectiveness last week in Busan, Republic of Korea. We cannot allow the economic crisis to deflect us from our commitment to the world's poorest people. Development cooperation is not charity; it is smart investment in security and prosperity.

The United Nations welcomes the recent decision by the Group of 20 (G-20) leaders to further strengthen global financial safety nets with a new International Monetary Fund lending facility. However, we need to do more. While Government budgets are tight, we also have to find new ways to complement and strengthen traditional aid.

We need to do more to address all the foundations of the partnership for development, as set out in the Monterrey Consensus and the Doha Declaration, including domestic resource mobilization, investment, trade, aid, debt relief and reforms of global economic governance.

We must do more to enable long-term public investments in infrastructure, green technology, human capital, public services and social protection. Poverty eradication and productive employment opportunities must remain priorities on national development agendas. Policies that promote more effective and equitable tax systems, combat tax evasion and corruption, and support financial inclusion continue to be crucial for domestic resource mobilization.

There is also a need for greater investment in sustainable development, including climate change mitigation and adaptation.

A successful conclusion to the Doha Round of trade negotiations remains essential. I urge the States involved to achieve an early harvest that provides duty-free and quota-free access to all exports from the least developed countries.

While many developing countries have been leading the economic recovery internationally, they continue to face a wide range of tariff and non-tariff trade barriers, such as agricultural subsidies, as well as creeping protectionism. Moreover, after reopening their economies in the expectation that it would lead to export-driven growth, developing countries are now being told to produce only for their small domestic markets. That is doubly dissatisfying: first, because it cannot generate growth at the necessary scale; and secondly, because those countries made a deliberate transition away from their former production centred on food and other commodities, and hence now lack the ability to return to such production, even if they want to.

The debt picture is equally troubling. We must ensure that the spillover effects from the debt crises in the developed world do not jeopardize debt sustainability in developing countries. Fresh efforts are needed to extend debt relief to the poorest and most vulnerable countries and, more broadly, to explore how to deal with debt distress more effectively and fairly.

In his recent report on global economic governance and development (A/66/506), the Secretary-General called for enhanced coordination, coherence and effective policymaking across the entire United Nations system. He stressed the importance of mutually supportive engagement between the United Nations and forums such as the G-20. He called for better anticipation and management of economic and social risks, including those associated with natural hazards. He also emphasized the need for developing countries to have a greater voice. Ongoing quota and voice reforms at the Bretton Woods institutions are important steps in that direction.

As we begin to consider the post-2015 development framework, we should start by building on the lessons offered by a decade of experience with the Millennium Development Goals (MDGs). The values and principles contained in the Millennium Declaration (resolution 55/2) remain as relevant as ever, but we must think about how to operationalize them even more effectively. We also need to recognize new development challenges that have come to the fore since the MDGs were first articulated: issues such as inequality, climate change and food and energy security. Next year’s United Nations Conference on Sustainable Development is a crucially important opportunity to give new life to that agenda.

Today’s dialogue, for its part, can help to advance the discussion about the global partnership that is at the heart of our efforts to protect the future well-being of our planet and its people.

The Acting President: I would like to remind Members that, pursuant to resolution 65/314, of 12 September 2011, the Assembly decided that the modalities of this dialogue would be the same as those described in resolution 64/194 of 21 December 2009. I therefore now give the floor to His Excellency Mr. Lazarous Kapambwe, President of the Economic and Social Council.

Mr. Kapambwe (Zambia), President of the Economic and Social Council: I am pleased to address this fifth High-level Dialogue of the General Assembly on Financing for Development on the overall theme “The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead”.

It has been almost 10 years since the adoption of the landmark Monterrey Consensus. We are here today to discuss what has been achieved and what remains to be done. Undoubtedly, there have been many important achievements. But it is also clear that much more work lies ahead. Let us be open and have a frank discussion on how to address the pressing development challenges in this time of crisis.

Achieving the Millennium Development Goals (MDGs) remains our primary objective. It requires the full and speedy implementation of the commitments and agreements contained in the Monterrey Consensus and the Doha Declaration on Financing for Development. The success of our efforts significantly depends upon a vibrant and functioning global partnership for development, drawing on the comparative advantages and contributions of all stakeholders.

The Economic and Social Council has a central role to play in promoting the global partnership for development. This year, the Council held a number of important discussions with a view to advancing the financing for development agenda. In March, the Council convened its annual high-level meeting with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, utilizing innovative and more inclusive modalities. In July, the substantive session of the Economic and Social Council adopted a series of resolutions on the strengthening of the follow-up process to the Monterrey and Doha International Conferences on Financing for Development, as well as the outcome of the 2009 Conference on the World

Financial and Economic Crisis and Its Impact on Development. High-level symposiums were held, in Bamako in May and in Luxembourg in October, to launch the preparatory process for next year's Development Cooperation Forum. In November, an Economic and Social Council retreat explored ways to further enhance the Council's role and effectiveness in addressing global development challenges. Allow me to highlight just a few key points emanating from those important meetings of the Council that are most relevant to our gathering today.

It is imperative that developed countries fulfil all their commitments with regard to official development assistance (ODA). Commitments made must be commitments kept. Ensuring sufficient and reliable ODA flows is essential for many developing countries, in particular least developed countries (LDCs).

A major challenge in achieving long-term growth in LDCs is to ensure investment from public and private sources in their productive capacities and in the creation of decent jobs. In that regard, the Economic and Social Council is determined to build on the outcomes of the fourth United Nations Conference on the Least Developed Countries and to mobilize political support for the implementation of the Programme of Action for the Least Developed Countries for the Decade 2011-2020.

It is also important to address the development needs of middle-income countries and to better align international support to their national priorities for sustainable development. Given the slow recovery, the economic growth of that numerous and diverse group of countries largely depends on their domestic demand, supported by sound monetary, financial, income and employment policies.

South-South cooperation should be an important element of the international development strategy, including infrastructure and industrial projects. Innovative financial mechanisms have the potential to raise additional resources to supplement traditional sources of development finance.

In the area of trade, we need to intensify efforts to achieve the development-oriented outcomes of the Doha Round of multilateral trade negotiations, eliminate agricultural subsidies in developed countries, further strengthen aid for trade and avoid "green protectionism". It is essential that LDCs be able to gain preferential treatment in the form of duty-free and quota-free access for all their products in international markets.

Debt sustainability remains a serious development challenge. There are concerns about potential spillover effects on developing countries from the European debt crisis and other risk factors, such as volatile energy and food prices and exchange-rate instability. There have been calls to re-examine debt sustainability frameworks and to explore new international instruments and mechanisms to better deal with debt distress.

In order to overcome systemic impediments to financing for development, international efforts to reform the international monetary and financial system need to continue. Improving financial regulation, addressing sovereign debt problems in advanced economies and managing volatile short-term capital flows are among the most pressing issues. There are also calls for further reforming the governance structures of the Bretton Woods institutions to better reflect the current economic realities and to ensure the full voice and participation of developing countries.

In the aftermath of the world financial and economic crisis, there is an urgent need for inclusive, transparent and effective multilateral approaches to managing global development challenges. The United Nations system is uniquely placed to promote the international development agenda and to serve as a major forum for global economic governance. System-wide coordination remains crucial to realizing internationally agreed development goals and to enhancing the coherence and consistency of the international monetary, financial and trading system in support of development. As the central Charter-based body for policy dialogue and coordination, the Economic and Social Council has a prominent role to play in that regard.

The biennial Development Cooperation Forum (DCF) was designed as the focal point within the United Nations system to review trends and progress in international development cooperation and to promote greater coherence among the activities of the various development partners. The next DCF meeting is particularly important, as it comes at a time of many uncertainties. Fiscal austerity weighs on aid prospects, while the multiple crises make it all the more necessary. Institutional arrangements at the global level are changing, and new actors and approaches make development cooperation ever more complex.

The DCF process can help enhance development cooperation and financing for development in various ways. It should encourage stakeholders to come up with a road map and concrete steps for meeting existing commitments. It can be instrumental in leveraging aid to mobilize other kinds of development finance. There is also a need for an ongoing global process to address policy coherence for development. Moreover, the multi-stakeholder nature of the DCF and its links with the financing for development process make it a natural centre of gravity, around which solidarity with developing countries can take concrete shape.

It is also necessary to further explore practical solutions to increase the impact of aid on people's lives. The fourth High-level Forum on Aid Effectiveness, held just a few days ago in Busan, Korea, proposed a new global partnership for effective development cooperation. The DCF will take up that momentum. In the end, the DCF is the platform for sharing good practices, exploring innovative approaches and promoting mutual accountability in development cooperation.

As the deadline for the MDGs is fast approaching, we must reinvigorate the global partnership for development and carry on with the formulation and implementation of the post-2015 development agenda. I am confident that many important issues on the financing for development agenda will be addressed today and tomorrow by the participants in this meeting. I wish all of us fruitful discussions in a cooperative and productive spirit.

Ms. Jacobs (Luxembourg) (*spoke in French*): Luxembourg fully aligns itself with the statement of the European Union.

In times of crisis, it is more imperative than ever to continue the discussion on financing for development. For that reason, we welcome the holding of this fifth High-level Dialogue on Financing for Development of the General Assembly. The General Assembly has a leading role to play in the intergovernmental process to ensure the follow-up to that issue. Today is an opportunity to take stock of developments and progress, but also of the obstacles and limitations that we have encountered and to determine together the measures that need to be taken in order to ensure the full implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. It is also an opportunity to reaffirm the spirit shown at the Monterrey and Doha Review Conferences: inclusive participation, partnership and transparency.

In that context, I welcome the presence today of actors of every stripe: traditional and emerging donors, partner countries in development and representatives of civil society, the private sector and international financial institutions. I am convinced that such an inclusive approach will make it possible to identify the added value in the overlap in the areas of competence of the various actors. That Dialogue is ultimately part of the wider context of the global partnership to implement the Millennium Development Goals and the post-2015 agenda.

Luxembourg attaches particular importance to the fulfilment of all commitments made with regard to financing for development. Meeting those commitments fully will allow us to greatly increase the resources available for furthering the international development agenda. Since 2000 Luxembourg has been proud to be a member of what is a still too limited group of countries contributing at least 0.7 per cent of their gross national income to official development assistance (ODA). Last year, Luxembourg's official development assistance reached 1.05 per cent of gross national income. The goal of sending 20 per cent of aid to least developed countries, reaffirmed by the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/CONF.219/3), has been more than met.

Luxembourg has thus lived up fully to its responsibilities and obligations in terms of official development assistance and expects to maintain those efforts in the future. Reaching an ODA level above 0.7 per cent does not, however, exempt us from efforts to improve the quantity and quality of international aid. We are aware that official development assistance alone cannot break the vicious circle of poverty, especially in times of economic and financial crisis. As agreed in Monterrey and reaffirmed in Doha, we must intervene on a number of fronts simultaneously: mobilizing domestic financial resources for development, strengthening direct foreign investment, promoting the integration of developing countries into the international trade system, facilitating access to markets, helping developing countries benefit from trade liberalization, implementing initiatives and mechanisms for solving the problem of indebtedness, particularly for Africa and the least developed countries, and strengthening South-South and triangular cooperation, as well as technical assistance and capacity development, to name only some of the measures that should be taken.

Identifying innovative sources of financing for development, both public and private, is also very important. Over the past 15 years, Luxembourg, along with its partner countries, has made a serious commitment to microcredit, microfinance and inclusive finance as important tools for economic and social development. The potential contribution of microfinance was recognized at Monterrey and Doha. I welcome the fact that the Secretary-General's report contained in document A/66/329 discusses the issue of access to a wide range of financial services for poor and vulnerable groups and for small- and medium-sized enterprises as being beneficial for development and domestic resource mobilization. As I said, during the recent European Microfinance Week held in Luxembourg, on the theme of inclusive finance for excluded populations, we must remember that the two fundamental pillars of effective and sustainable inclusive finance in the fight against poverty are, on the one hand, social impact, and on the other, economic viability.

Whether we are talking about official development assistance or other sources of financing for development, we cannot focus on volume alone; we must also talk about the quality and effectiveness of the flow of aid. In that context, I welcome the content of the outcome document of the fourth High-level Forum on Aid Effectiveness held last week in Busan, Korea. It was significant that it reaffirmed and strengthened the commitments made in Paris in 2005 and in Accra in 2008, stressing an increased role for partner countries in development processes, as well as increased concern for results in terms of development impact and for partnership in transparency. I particularly welcome the crucial contribution made by the participants from emerging economies and civil society, both to the negotiations before the Forum and at Busan itself.

Finally, I would like to recall the importance of governance that promotes development at all levels, including in developing a dynamic economy capable of attracting investment and a competitive private sector free of the scourge of corruption.

Our attention must go first and foremost to those countries that are the furthest behind in terms of meeting the Millennium Developing Goals, even if it may seem tempting — and sometimes useful when it comes to communicating results — to go for the low-hanging fruit of development cooperation. In order to achieve that, we must work together towards the complete fulfilment of the Monterrey Consensus and the Doha Declaration and rely more on the potential inherent in joint partnerships for development. We must be very clear about this: there will be no sustainable development without sustainable financing for development.

Mr. Sano (Guinea) (*spoke in French*): In taking the floor at this meeting of the Assembly devoted to financing for development, I would first like to commend the President for the skill and experience with which he has conducted the debates at this session. On behalf of His Excellency Mr. Alpha Condé, President of the Republic of Guinea, I would also like to greet the heads of the delegations of Member States and representatives of international organizations and to extend to them the profound thanks of the Guinean people and Government for all their support for the restoration of constitutional order in Guinea.

I would also like to join previous speakers in expressing my delegation's gratitude to His Excellency Secretary-General Ban Ki-moon for his enormous and unceasing efforts in leading the Organization and for the quality of the documents on our current topic of discussion, the thorny issue of financing for development.

This meeting is being held on the heels of the fourth United Nations Conference on the Least Developed Countries, which adopted the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/CONF.219/3), and of the fourth High-level Forum on Aid Effectiveness, which just ended in Busan, Korea. The current international context is problematic and has been marked by a series of crises. The debt crisis and the crisis of the financial markets, the difficulties in completing the Doha Round of negotiations on multilateral trade relations, the issues of poor countries' indebtedness, climate change and financing for development provide a perfect illustration of the concerns and challenges that the international community faces and of a topic to which this meeting's contribution is much anticipated.

The issue of financing for development is one of major concern for the Government of Guinea. In dealing with it, my Government is making tremendous efforts to promote development partnerships in conformity with Goal 8 of the Millennium Development Goals (MDGs), ensure the effectiveness of aid, in conformity with the Paris Declaration, improve the business climate, develop public-private partnerships and promote innovative financing. With regard to innovative financing in particular, including introducing a tax on airline tickets, encouraging migrants' remittances and encouraging accessions to the Declaration on International Financial Transactions, my Government is beginning, at the national level, to identify and collect new taxes and civil contributions with a view to strengthening the country's financing capacity. I would like to focus my remarks to the crucial matter of financing for development and to the achievement of the Millennium Development Goals in Africa, in order to share with the Assembly several proposals for action on that important issue.

The negative impact of the multiple crises on the 48 least developed countries (LDCs), 32 of which are in Africa, along with the various analyses of that situation, show that the African continent might not meet the Millennium Development Goals by the 2015 deadline, owing in large part to insufficient official development assistance (ODA).

For that reason, it is essential for this meeting to think of all normal and additional sources of development financing for the African region. In that regard, innovative forms of financing increasingly appear to be key instruments for mobilizing additional, predictable and stable resources to make up for the shortfall in ODA. They are a complementary means for helping African LDCs to overcome their structural problems and to promote sustainable development. In that context, my delegation would like to propose to the Assembly three Guinean proposals whose aim is to increase the resources for financing African development up to 2015 and beyond.

I refer first to an African conference on innovative financing, secondly to the development of South-South and triangular cooperation, and thirdly to the adoption and implementation of an African declaration on transparency of financial governance and combating illegal capital flows. Negotiations for the implementation of those proposals, which were already made during the Assembly's sixty-fifth session and supported by a number of other African and international bodies, are currently under way.

With respect to an African conference on innovative financing, that meeting would bring together the African nations that are members of the Leading Group on Innovative Financing for Development and their partners. The aim is to promote appropriate strategies for mobilizing innovative financing that would make up for traditional official development assistance, along with the necessary internal resources to cover the costs of the MDGs and development in general. The Guinean Government is offering to host such a conference in 2012.

As to South-South and triangular cooperation, it has recently become a new modality for international cooperation in the light of the debt crisis, the crisis in the financial markets, and the lack of sufficient traditional official development assistance for implementing international development goals such as the MDGs, the Istanbul Programme of Action and International Drug Purchase Facility. In that context, the Guinean delegation proposes to create a task force on South-South and triangular cooperation within the Leading Group on Innovative Financing for Development. That task force's mandate would include unifying and capitalizing on the diverse existing initiatives; assessing current potential; identifying strengths and existing complementarities between North and South in order to take full advantage of them in the implementation of the Istanbul Programme of Action (A/CONF.219/3); exposing the constraints and obstacles that hinder development; and, finally, proposing strategies and action plans that would enhance South-South cooperation between regions.

The task force will place particular stress on the development of partnerships that focus on such areas as agricultural and medical-pharmaceutical industries, the Bank of the South, transportation and communication, services, scientific research and the development of human resources. The Republic of Guinea is also prepared to host the inaugural meeting of that task force in Conakry during the first half of 2012.

With regard to an African declaration on transparency of financial governance and fighting illegal capital flows, its aim would be to stem the flight of the vast sums that originate in Africa and to redirect them towards the development of the continent. We are grateful for the work already under way within the Economic Commission for Africa and the African Union with the support of Norway.

Given their obvious strategic interest, it would be wise for all those proposals to enjoy the support of this meeting of the Assembly and to be incorporated into the strong recommendations that issue from it.

Finally, I would like to share some thoughts on a strategy for an accelerated and effective implementation of the Istanbul Programme of Action. The Guinean delegation believes that such a strategy should bring together several dimensions.

First, there needs to be more effective mobilization of aid for implementing responsible and dynamic policies aimed at achieving the goals of the Programme of Action and the MDGs, along with a strengthening of governance and the pursuit of reforms on all sides. In that regard, the issue of capacity, particularly the capacity to absorb increased aid, is central.

Secondly, the issue of the volume and quality of official assistance remains our major challenge. The implementation of the Istanbul Programme of Action and achieving the MDGs both call for aid to be doubled. They also call for unprecedented reinforcement of public/private partnerships and of the role of the private sector in a robust, lasting, more justly shared and broadly distributed growth.

Let me now address the matter of urgency. Little time remains before 2015, and the challenges to be met to achieve the MDGs and to implement the Istanbul Programme of Action are immense. Now is the time for increased, stable and predictable aid that will contribute to the financing of multi-year programmes.

Those three dimensions need to be addressed at the same time. Within the framework of the Istanbul Programme of Action, we need to create an architecture that allows us to align all three dimensions at both the national and international levels. It goes without saying that they will need to be accompanied by the mobilization of national savings and the fight against corruption and tax havens, to name but a few other aspects.

Ms. Rodríguez (Spain) (*spoke in Spanish*): In the first decade of the twenty-first century we have achieved consensus on three key axes of international development.

First, concerning our objectives, the Millennium Declaration has become a point of reference for the international community. In three years, depending on the results achieved, we may have to review certain goals and establish other, new ones. But at least we have succeeded in creating a context for the joint efforts of Member States, international organizations, and United Nations and civil society programmes.

Secondly, we have made considerable progress with respect to the impact of aid. At the Busan High-level Forum on Aid Effectiveness, which took place just a few days ago, discussions were held on the effectiveness of international development, and efforts were made to enhance development assistance so as to make it more strategic and increase its impact on poverty reduction in the countries where we are working.

Thirdly, we have reached a number of significant agreements in the area of financing for development.

None of these three areas is more important than the others. However, it is clear that financing for development is the foundation of the system. In the absence of resources, the consensus — minimal as it may be — achieved in recent years would make no sense. Financing is therefore the key element that we need to focus on at this difficult time.

When the Monterrey Consensus was agreed, the global economic context was, as we all know, very different. The cycle was at a high point, with positive prospects for all countries. Today, however, we are experiencing a financial crisis that threatens some of the soundest economies in the world. The global economy is at its weakest and most turbulent point in 50 years. Fortunately, many developing countries are dealing with this crisis better than we had expected at the outset. However, even so the global economic crisis has brought a new challenge — one that we had not expected — and we must be able to muster an adequate response to it.

In the wake of Monterrey, in 2005, the countries of the European Union, as we all are aware, committed themselves to allocating 0.7 per cent of their gross national product (GNP) to official development assistance (ODA) by 2015. Certain Member States have made significant headway in this regard. If I may, I should like to note that Spain, from 2005 to 2010, nearly doubled the percentage of its GNP allocated to ODA, from 0.23 per cent in 2004 to 0.45 per cent in 2010, by increasing its ODA budget in a sustained and significant manner. We did so both in times of economic growth and during the most difficult years of the crisis.

The current economic crisis is putting tremendous pressure on the national budgets of the so-called traditional donors, which are in the midst of fiscal austerity programmes that are also having an impact on their public policies.

But I believe that we should all be very aware of the fact that ODA represents a tiny proportion of public expenditure at the national level, and that reducing ODA will not help to balance either our national or global accounts, but would only further disrupt the global equilibrium. We should therefore make a joint commitment not to decrease official development assistance at this time.

In recent years it has become clear that official development assistance has been playing an increasingly smaller role in the context of capital flows to developing countries. Let us recall that in the 1970s, official development assistance accounted for 70 per cent of capital flows towards developing countries; currently that figure is 13 per cent. Investment, trade, domestic resources, remittances and other capital flows have been replacing it.

It is also true that official development assistance has blurred some of the traditional parameters for those affected by its impact. Today many important emerging economies have become both donor and beneficiary countries simultaneously. However, that said, official development assistance remains of vital importance in meeting the objectives of reducing poverty and of progressing towards development goals in other areas.

Therefore, above and beyond the imperative need to seek new sources of financing, we must fulfil our political commitment to continue to provide assistance and our budgetary commitments in terms of increasing the percentage of our gross domestic product earmarked for ODA.

I should like also to note that given the challenges ahead and the quest for new financing mechanisms, we need to undertake a process of serious reflection on how ODA, despite its importance, will be insufficient if we do not use other mechanisms and instruments to achieve development goals. Here I should like to mention by way of example our goal of combating hunger and extreme poverty.

The United Nations recently issued a declaration of famine. We had not thought that in the twenty-first century we would be witnessing any declarations of famine in the world. While ODA and emergency food aid are necessary to put an end to this emergency situation of famine, they will not put an end to food shortages, hunger or malnutrition, which affect millions of people. We must therefore put in place different agricultural policies; fight speculation in food futures markets; and seek peace and political stability, the absence of which is the cause of the famine that we recently had to declare.

Turning to the issue of innovative financing mechanisms, Spain has been working very closely with the pilot group on innovative financing, which it is chairing during the second half of 2011. I should like briefly to note some of the main areas we have been focusing on in recent years. A much more active role is being played by the private sector in fighting poverty, and new donors have emerged. Our efforts in the context of triangular cooperation and South-South cooperation are also very important, especially vis-à-vis Latin American countries. Access to credit for the most vulnerable countries and peoples on the planet is imperative. Indeed, Spain hosted the fifth Global Microcredit Summit in November, and thus has been playing an active role in the context of global efforts to fight poverty and to find new and innovative sources of financing. We have been participating actively within the Group of Eight and in the development group recently created in the context of the Group of 20.

Allow me briefly to touch on the issue of the levy of fees on financial transactions. There have been significant advances in this respect recently within the European Union, and the position of the Government of Spain is clear. If a tax is imposed on international financial transactions, the funds collected must be earmarked for social policies, both within the European Union and in developing countries. I also want to mention, because of its importance, the other mechanism, which is the micro-tax on currency exchanges, which has been identified and studied in a number of variations by the Leading Group on Innovative Financing for Development. It is a very effective tool. The variation involving a minimum levy of 0.005 per cent on the international currency transactions that take place daily around the world would yield between $25 billion and $34 billion a year.

Adding that micro-tax on international currency transactions to the existing tax on the trade in carbon emissions, which has already yielded $37 billion, would produce a combined total sufficient to meet all the Millennium Development Goals in Africa, whose cost is estimated at $72 billion per year.

I would also like to stress the important role of remittances — of course with full respect for their legal status as a private resource. They are indeed private resources, but we need to reduce the transaction cost on remittances. We also need to be able to develop certain initiatives that would make it possible to invest in the destination countries. Spain has already undertaken several interesting initiatives with the European Investment Bank and with the Financing Facility for Remittances of the International Fund for Agricultural Development.

I would also like to mention that, besides the issue of debt itself, regarding which the uncertainty we have experienced during the past weeks demands special care and coordination and the readiness to undertake globally coordinated actions, I believe that we need to continue our existing effort through the Heavily Indebted Poor Countries Debt Initiative. In that regard, we need to encourage States to increase their voluntary contributions.

. Spain was one of the first countries to implement debt relief-based development programmes, utilizing debt swaps that invested more than 60 per cent of reduced debt in health and education programmes. Over the past four years, Spain has swapped more than €380 million of debt via such mechanisms, primarily through programmes of public investment in health and education.

I would also like to point out the importance of working to combat tax evasion and illicit capital flows. It is absolutely necessary to make progress in that area in order to be able to advance with yet another source of innovative financing, which is the one poised for the greatest future growth. I am speaking of the national resources of all the developing countries with which we work. For them to have their own resources that can be invested in public policy initiatives to combat inequality and poverty and that move in the directions indicated by the Millennium Development Goals, those national resources must remain within the countries that generate them. For that to happen, we need to make progress on supranational legislation that covers tax evasion and the fight against illicit capital flows in order to be able to genuinely apply and work together on policies that redistribute profits from the national resources of the developing countries with which we work.

Finally, we come to the matter of trade. Without question, we need to move ahead towards a Doha Round that yields productive results for all participants, but especially for developing countries. I believe that the other developing and emerging countries, along lines similar to what the European Union achieved with its Everything But Arms initiative, need to adopt measures that will offer least developed countries tax- and quota-free access to all products except weapons.

In conclusion, I would like to say that we have a common basis on which to move forward in the years ahead. The Millennium Development Goals, clearly delayed in certain areas, represent an improvement for the international community. We are better with the Millennium Development Goals agenda than without it. We have an economic and financial crisis that we need to turn into an opportunity. This is the moment for innovation. It is the moment for confidence. It is the moment for intelligence. We need to be capable of turning this financial crisis, with all its challenges, into an opportunity for global development. Only in that way, if we are able to emerge together from the crisis in which we find ourselves, will we be able to say that we have found ways to achieve a more equitable and more just sustainable development for the future.

Ms. Handrujovicz (Argentina): I have the honour to deliver this statement on behalf of the Group of 77 (G-77) and China. The Group welcomes and encourages the convening of this fifth High-level Dialogue on Financing for Development, in accordance with resolution 65/314. We believe that this is an opportunity to review the status of implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development and the tasks ahead.

The G-77 and China reiterates once more its serious concern at the negative implications of the ongoing economic and financial crisis for development, as well as its damaging impact on the flow of direct investment, external debt and international trade. The continuing financial and economic crisis is negatively affecting the growth prospects of many developing countries, reversing development trends, leading to increased poverty and generating important limitations on the ability of those countries to enact appropriate fiscal measures to mitigate the impacts of the crisis on development.

In particular, owing to the globalization process, which has further heightened the impact of the international environment on the national economy, the critical impact of external factors on internal capacities to mobilize domestic resources has increased. Economic growth is essential for enhancing the mobilization of domestic resources; however, many developing countries are far from reaching the necessary growth rate and investment ratios that could lead to sustainable development. In addition to domestic policies and actions, therefore, it is imperative to discuss measures that could lead to a more favourable international environment.

It should be recognized that national efforts must be complemented by supportive global programmes, measures and policies aimed at expanding development opportunities for developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty. In that regard, we urge a strong commitment on the part of the international community to mobilize adequate resources in order to facilitate sustained economic growth in developing countries.

The 2010 Millennium Summit reiterated the critical importance of fulfilling all official development assistance (ODA) commitments and encouraged all donors to establish timetables to reach their goals. Likewise, the Istanbul Programme of Action (A/CONF.219/3) called upon donor countries to implement their ODA commitments by 2015 and to consider further enhancing the resources allocated to the least developed countries.

In the view of the G-77 and China, it is high time for donor countries to sit down with developing nations and agree on mechanisms to fulfil their commitments concerning official development assistance, including the commitment to allocating 0.7 per cent of their gross domestic product to international cooperation.

We would like to underline that almost all developing countries, at various stages of development, are facing challenges, one way or another, regarding debt sustainability. An overall approach and solution is required. In that regard, the G-77 and China stresses the importance of holding comprehensive discussions, including within the United Nations and other appropriate forums, on the need for, and feasibility of, new sovereign debt restructuring and debt resolution mechanisms that take into account the multiple dimensions of debt sustainability and its role in achieving internationally agreed development goals, including the Millennium Development Goals.

In that regard, the Group of 77 welcomes the consensus achieved in the negotiations in the Second Committee on the draft resolution on external debt sustainability and development (A/C.2/66/L.73), and on the need for discussion in this forum of that issue and of the role of credit-rating agencies in the short term. While we believe much more has to be done, the consensus represents an important step forward.

On the other hand, the Group of 77 considers international trade to be a vital tool for providing long-term sustainable growth. Market access continues to be a major obstacle for the exports of developing countries. Moreover, issues such as discretionary and unilateral trade measures, a lack of transparency and of open and predictable markets, trade financing, trade-related technical assistance, special and differentiated treatment for developing countries, and the prohibition of the use of various standards for protectionist purposes — to mention only a few on a rather long list — must be major topics for our discussions.

In order to fully harness the potential of trade, it is important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly for developing countries. In that context, all countries, particularly developed countries, should desist from all protectionist measures, including agricultural subsidies and non-tariff trade barriers, and rectify any trade-distorting measures already taken. We call for the fulfilment of all the commitments in the World Trade Organization (WTO) 2005 Hong Kong Ministerial Declaration that favour least developed countries.

Furthermore, we would like to reiterate the central role of the United Nations as a focal point for the financing for development follow-up process, and the need to maintain that role in order to ensure the continuity and dynamism of the process. At the same time, we reaffirm the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, the International Monetary Fund and the WTO, in the follow-up and implementation of the commitments made at Monterrey and Doha.

The Group is of the view that many systemic problems facing the global economy have yet to be resolved. The reform of the global financial architecture is unfinished business, and all efforts in that area must be intensified. Addressing systemic issues — including enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development — should find a paramount place in our agenda.

In that regard, the G-77 and China again stresses the need for substantive, comprehensive reform of the international economic and financial system and architecture, including the mandates, scope and governance of the Bretton Woods institutions (BWI). Those reforms must reflect current realities and ensure that developing countries have a full voice and participate fully in the BWI decision-making and norm-setting process, in order to address the democratic deficiencies of those institutions.

The G-77 and China reiterates its position regarding the need for a strengthened monitoring mechanism that leads us to a follow-up conference in 2013 and the creation of a commission on financing for development. To those ends, it is expected that the report to be submitted by the Secretary-General next year will focus on that proposal and include — in the framework of an analytical evaluation of the institutional arrangements for the follow-up process — proposals to be considered by Member States on the organization, membership, structure, mandate, scope and other relevant aspects of such a commission under the auspices of the General Assembly.

Finally, in addition to emphasizing the crucial importance of financing for development to the success of the development process and the need to hold a follow-up conference in 2013, I would like to emphasize the readiness of the G-77 and China to interact constructively and substantively on that process with the aim of achieving a successful outcome.

In conclusion, let me reiterate once more, on behalf of the Group, that we are committed to an open, honest and objective exchange of views with all of our partners here. We believe that our discussions and deliberations on various topics on the substantive agenda of the High-level Dialogue should contribute substantively to the outcome of the current session and will help us move forward in implementing the commitments made at Monterrey and Doha.

Mr. Sefue (United Republic of Tanzania): I thank and commend you, Sir, for your leadership in organizing this High-level Dialogue on Financing for Development on the theme “The Monterrey Consensus and Doha Declaration on Financing for Development: status of implementation and tasks ahead”.

I have the honour to speak on behalf of the African Group, which aligns itself fully with the statement delivered just now by the representative of Argentina on behalf of the Group of 77 and China.

The overriding objective of the Monterrey Consensus and the Doha Declaration on Financing for Development was and remains the scaling up, leveraging and improvement of financing for agreed development outcomes, including in Africa. To be credible, those outcomes have to contribute to attaining the Millennium Development Goals (MDGs). Even more important, they have to help create the policy space and build the capacity for sustained and sustainable economic growth and development in our countries.

It is on that basis that we have to evaluate progress, or the lack thereof, in implementing the Monterrey Consensus and the Doha Declaration on Financing for Development. They both depend critically on a global compact of shared but differentiated responsibilities and of genuine partnership, with each side fulfilling its responsibilities and commitments.

To a large extent, African countries have lived up to most of the commitments they made in both forums. Those are commitments we would like to renew, including, but not limited to, national ownership of the development agenda, mobilization of domestic resources, sound economic and social policies, good governance and the rule of law, peace and stability. The results of the implementation of our commitments are encouraging, and we believe that had there been greater external support, they would have been even better.

Africa's recent economic growth performance, although uneven, has recovered fairly quickly from the global financial and economic crisis, partly because of rising commodity demand in emerging economies and partly because of continued good economic policies and management. Despite that recovery, however, growth in many countries remains below the average of 7 per cent deemed necessary to meet the MDGs. Furthermore, growth has not always meant progress towards the ultimate objective of decent work and poverty reduction. Consequently, more effort is needed to accelerate growth across the continent and ensure that it benefits the poor and addresses the special needs of young people and women.

Many countries have seen a notable increase in foreign direct investment (FDI), especially in the extractive sector. Overall, however, FDI inflows to Africa declined from $72 billion in 2008 to $58.6 million in 2009, largely due to the global financial and economic crisis. Remittances were also affected by the crisis, declining from $41.1 billion in 2008 to $38.5 billion in 2009. However, there is no doubt that remittances have become the most important source of capital flows to Africa after FDI, accounting for about 7 per cent of African gross domestic product in 2010. We therefore have to find ways to facilitate, simplify and reduce the transaction costs of remittances.

Let me also add that most of the improvement that we have seen in Africa in terms of economic growth and trade is accounted for by South-South cooperation. That is something that we would like to encourage as we go forward.

Many African Governments are working hard to mobilize domestic resources in the context of structural impediments, including a large informal sector and weak institutional capacity, as well as the reality of the poverty of many of their people. In addition, the recent global economic and financial crisis has had a negative impact on the capacity for domestic resource mobilization. In that regard, we call for continued support to national efforts for domestic resource mobilization, among other things.

While aid to Africa increased by 4 per cent in 2010, the challenge to meet all the commitments made in various development conferences and Group of Eight summits remains. In addition, we still need to improve the quality of aid and its predictability and effectiveness. The ongoing economic and financial difficulties facing developed and other countries should not be the reason for them not to live up to their commitments to developing countries. We welcome the declared commitments of some such countries along those lines, and we urge others to do likewise. We also urge action on other forms of innovative financing for development.

We also welcome the fact that some African countries benefit from debt relief. We appeal for similar debt relief for those still waiting for that form of support.

Many African countries are working hard to improve their productivity and competitiveness, as well as to diversify their exports. They want to trade themselves out of poverty. However, while support in terms of aid for trade improved over the past few years, the global trade regime remains unfavourable. African economies continue to suffer from unfair trade laws and practices and marginalization at the global level, with the continent's share of global trade being only 3.1 per cent in 2009.

The Doha Round of trade negotiations, which was expected to end by December 2005, remains stalled, and since 2008 it has focused on procedural rather than substantive issues. We urge progress on the substantive issues, especially the focus on development.

Africa needs an increased presence and voice in international economic governance and to play its part in reforming the global financial architecture. That requires bold decisions beyond those we have seen so far. The African Group also reiterates its long-standing position on the need to reform the international monetary and financial system to enable effective realization of development.

Monterrey was supposed to be a turning point in financing for development. It was a global compact for shared and sustainable development. We can still realize its objectives. Africa will do its part, and we ask all our partners to do theirs as well.

Mr. Kohona (Sri Lanka): I have the honour to deliver this statement on behalf of the Group of Fifteen (G-15), a summit-level group of developing countries for South-South and North-South cooperation and consultation, comprising 17 member States. During the past decade, we have consistently recognized the following issues regarding financing for development.

The global financial and economic crisis has vindicated our calls for a comprehensive, coherent and transparent restructuring of the international financial architecture. We call for the intensification of efforts to reform and strengthen the international financial system and its architecture, including unbiased and effective surveillance of major financial centres and financial markets by the International Monetary Fund (IMF).

In order to reflect current realities and enhance the prospects for developing countries, including the poorest, we call for the speedy ratification of the already agreed IMF quota review and the completion of all outstanding voice and representation reforms in the World Bank Group. We also call for a new quota formula that accurately reflects the relative size of developing countries in the world economy, while recognizing the importance of international collective action, cooperation and solidarity.

We encourage the promotion of alternative, innovative, democratic and development-oriented financial institutions and frameworks on the basis of those identified by the various United Nations conferences on financing for development and on the world financial and economic crisis. The aspirations echoed in Monterrey to strengthen the United Nations leadership in promoting coherence and effectiveness among the World Bank, the IMF and the World Trade Organization remain vital.

We stress therefore the importance of conducting a review conference in 2013 to assess the progress in the implementation of the Monterrey Consensus to support a new drive for international partnership for development, taking into consideration the commitment to achieve the Millennium Development Goals (MDGs) by 2015. The current economic difficulties, coupled with the austerity measures and fiscal retrenchment policies implemented by developed countries, should not cause the commitment to aid developing countries to be retracted. We urge therefore the timely implementation by donor countries of their existing bilateral and multilateral official development assistance (ODA) targets set at major international forums.

We also encourage the examination of innovative sources of development finance, both short- and long-term, in particular for least developed countries (LDCs). While LDCs face a severe tightening of capital resources, low- and middle-income countries that are members of the G-15 are also affected, being beyond ODA thresholds. The recent financial turmoil has also adversely impacted traditional sources of finance, such as foreign direct investment, export revenues and private portfolio capital flows.

We underline the role of trade as an engine for development. We call for enacting appropriate fiscal measures to engage in development financing through, inter alia, additional debt relief measures for highly indebted developing countries. We also stress that debt relief or moratorium programmes should not be accompanied by disproportionate conditionality and should fully respond to the needs of recipient countries.

I would now like to make a few comments from Sri Lanka’s national perspective.

As a lower-income country, Sri Lanka has been firmly committed to strong social protection. Since independence, the country has provided free education from the primary level to university, free health care from birth to death and nutrition programmes for children, resulting in our realizing the MDGs of universal primary education and gender equality and women’s empowerment. Those Goals have been achieved by holding firm to the traditions of democratic governance, transparency and public expenditure, in which the people’s welfare takes priority.

South-South cooperation is emerging as an important instrument for development assistance. The increasing strength of emerging economies could help to transfer valuable experience and financial support to other developing countries. The G-15 functions as a viable forum in which to promote South-South cooperation. Increasingly, that points the way to the future, and many developing countries are benefiting from it.

Sri Lanka is ready to play an active role to share in and benefit through South-South programmes and North-South-South triangular programmes.

Mr. Grunditz (Sweden): I have the honour to speak on behalf of the Nordic countries — Denmark, Finland, Iceland, Norway and Sweden. We align ourselves with the statement to be delivered by the observer of the European Union.

The Monterrey Consensus, as reaffirmed by the follow-up conference in Doha, is a landmark agreement on financing for development. The strength of that global partnership lies in its holistic approach. Today, I would like to highlight three key elements of that partnership that the international community needs to address in order to achieve the internationally agreed development goals, including the Millennium Development Goals (MDGs).

The first element is mutual accountability. Official development assistance continues to be a critical source of financing for development, in particular for the least developed countries (LDCs), as well as for the efforts involved in tackling the specific development challenges of countries in fragile and conflict situations. We encourage Member States concerned to intensify their efforts to live up to the target of 0.7 per cent of gross national income.

We need to make sure that our joint efforts produce maximum results and outcomes that can be sustained, and that our undertakings are transparent and accounted for. We welcome the principles underpinning the Busan Partnership for Effective Development Cooperation. That global platform provides an important new impetus to attain the MDGs. Transparent processes, outcome-oriented programming, results-based management and effective monitoring and follow-up are all key elements to achieve sustainable and concrete development results on the ground for women, men, girls and boys.

Innovative mechanisms for financing can make a positive contribution in assisting developing countries to mobilize additional resources for development and in combating climate change. That is part of the United Nations agenda. Some Member States have established such mechanisms, while others are exploring ongoing and new options. An active and inclusive dialogue is needed to that end.

The second element is responsible policies. While effective and results-oriented aid and innovative mechanisms for financing are crucial, they are not sufficient to achieve our goals. A holistic approach to development, in line with the Monterrey Consensus and the Doha Declaration, also involves the mobilization of domestic resources as a core component of financing for development.

Each country has the primary responsibility for its own development. The provision of public goods, the redistribution of wealth and the accountability of Governments to their citizens require fair, effective and efficient tax systems. Here we see an opportunity for the United Nations to use its normative role and capacity-building functions to assist developing countries in broadening their tax base and developing policies to eradicate poverty through a more equitable and responsible allocation of resources.

Illegal outflows of capital from developing countries are estimated to exceed total development assistance by a wide margin. Combating such illicit outflows could make a major contribution to freeing up resources for investments in development. On a related note, the recovery of those assets could make another significant contribution in that context.

An intensified effort is also needed to fight corruption. The international financial institutions will be particularly important in that regard. United Nations bodies play an active role through general awareness-raising and through such instruments as the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime. We encourage all Member States that have not yet done so to ratify those two Conventions.

The third element is the ability to adapt. Coherence in action and coordination among institutions remain crucial. The Nordic countries would like to stress that the United Nations and the international financial institutions have complementary mandates. We encourage them to coordinate their efforts more effectively so as to improve the efficiency and consistency of global governance.

We are facing a changing development landscape comprising both new challenges and new instruments and actors ready to address those challenges. We encourage civil society and the private sector to play a greater role in global development. Collaboration across sectors can broaden our perspectives and lead to new, effective partnerships for development. We also support the strengthening of regional integration, including South-South cooperation. Joint efforts characterized by mutual accountability, national ownership, inclusive partnerships and a focus on development results on the ground are the way forward.

Mr. Khan (Indonesia): I have the honour to deliver this statement on behalf of the Association of Southeast Asian Nations (ASEAN). In making this contribution, ASEAN associates itself with the statement made by the representative of Argentina on behalf of the Group of 77.

With a combined population of 600 million people — 20 per cent of whom still live in poverty — development and the attainment of the Millennium Development Goals (MDGs) remain a challenge for ASEAN. That challenge is further exacerbated by high population growth and the continuing uncertainty in the global economy. For ASEAN, it is therefore important that every time Member States address the issue of financing for development, we do so with the attainment of the MDGs by the 2015 deadline in mind.

ASEAN recognizes that development is the primary responsibility of each nation. However, an enabling international environment is critical, and without it the prospects for sustained, inclusive and equitable growth and development are greatly diminished. That is particularly true for the ASEAN region, where international trade is an important source of development finance and where the accumulation and mobilization of domestic resources to finance development remain limited.

We are therefore fully committed to ensuring the full implementation of the Monterrey Consensus. That commitment was reaffirmed three weeks ago at the nineteenth ASEAN Summit, held in Bali, Indonesia, where our leaders resolved to ensure the implementation of the internationally agreed development goals and global commitments on financing for development.

As we meet today, the world is facing a process of change that will have a great impact on our development endeavours. We had thought that we would emerge stronger from the global financial and economic crisis of 2008. It is now clear, however, that the same systemic problems in the global economy remain unresolved and that we face the threat of yet another global crisis, due to financial turmoil in the euro zone.

In addition to the cloud over the global economy, the world continues to face fundamental problems and challenges in such areas as food, energy and water security, climate change and natural disasters. Amid those uncertainties and strains on development efforts, a lot of hope is pinned on international cooperation for development. We therefore believe it imperative to go back and honour the spirit and principles of the Monterrey Consensus. In our view, the comprehensive and multifaceted approach of the Monterrey Consensus provides an important road map on financing and cooperation for development that has become ever more relevant in today's global situation. In this context, ASEAN would like to underline five main points related to strengthening financing and cooperation for development.

First, we need to take concrete steps to strengthen the implementation of the six pillars of the Monterrey Consensus. We must ensure the achievement of all targets and commitments under the six pillars in a balanced and complementary manner.

Secondly, international financial regulation, monitoring and supervision must continue to be strengthened. Enhanced coordination among countries is also a necessity. We must learn to step out of our comfort zone and use the opportunity in front of us to address global economic concerns in concert. Further, we must explore ways to enhance dialogue to maintain a global economy that is more inclusive, equitable, sustainable and resistant to economic crises and to increase cooperation in addressing the multiple impacts of global crises on the most vulnerable groups of society.

Reform in the governance of the international financial system must also be expedited. As emerging economies now serve as an important engine for the global economy, they too must now be given a greater say and responsibility in international financial institutions. At the same time, ASEAN welcomes regional arrangements to supplement the roles of the international financial institutions in ensuring stability in the global financial system. In March last year, the ASEAN+3 countries formalized the Chiang Mai Initiative Multilateralization, a multilateral currency swap facility designed to address short-term liquidity difficulties in the region and supplement existing international financial arrangements.

Thirdly, while ASEAN continues to call for the fulfilment of official development assistance commitments and targets, initiatives such as the World Bank-ASEAN Infrastructure Finance Network — which supports innovative public-private partnerships for infrastructure development in the region — could provide useful additional financing to official development assistance.

Fourthly, strengthening international trade is critical. We must resist protectionist impulses and conclude a development-focused World Trade Organization Doha Round as soon as possible. Moreover, greater efforts must be made to stimulate and facilitate South-South trade — which has in the past aided the progress of development in developing countries — even as North-South trade must continue to be a major component of world commerce.

Finally, we need to continue to ensure the dynamism of the follow-up process of the Monterrey Consensus on Financing for Development. We need to take steps in the right direction, taking stock of the progress made so far, and continue to ensure the effective use of the available mechanisms and resources. Most importantly, ASEAN believes that there is a need to strengthen the intergovernmental process for carrying out the financing for development follow-up.

ASEAN firmly believes that the agenda on financing for development is of vital importance. It safeguards the stability and sustainability of our economic development and has the potential to improve the lives of millions of people. It is important for pledges to be fulfilled and for plans to materialize.

In closing, ASEAN would like to reassure the Assembly of our full commitment to stay fully engaged in the process of ensuring appropriate and effective follow-up to the implementation of the Monterrey Consensus as reaffirmed in the Doha Declaration on Financing for Development.

Mr. Rai (Nepal): I have the honour to deliver this statement on behalf of the Group of Least Developed Countries. Our Group associates itself with the statement made by the representative of Argentina on behalf of the Group of 77 and China.

We thank the President of the General Assembly for convening this timely High-level Dialogue on Financing for Development.

The World Economic Outlook published by the International Monetary Fund (IMF) in September 2011 characterized the world economy in terms of slowing growth and rising risks. We express our deep concern that under the current circumstances, the least developed counties (LDCs) are unlikely to meet many Millennium Development Goal targets by 2015, due to the growing resource gap. There is no doubt that the LDCs should make substantial efforts to mobilize domestic resources, but their structural weaknesses significantly constrain their ability to do so. The LDCs therefore require robust international support measures to address their complex development challenges.

Moreover, the external environment continues to remain unfavourable for the LDCs. The share of the LDCs in global trade has stood at 0.33 per cent since the adoption of the Monterrey Consensus. In some cases, the proportion of the LDCs' global exports actually enjoying duty-free and quota-free market access does not exceed 50 per cent. Greater product coverage of the LDCs' interest and simplified rules of origin are therefore essential to enhance the development impact of duty-free and quota-free market access.

We fully concur with the IMF assessment in its World Economic Outlook that the international community needs to muster the political will and high-level attention to devise a credible plan to move the negotiations of the Doha Round of trade talks forward. Failure of the Round could lead to fragmentation of the global trading system and a weakening of the World Trade Organization (WTO) and multilateralism. That would not be good for any country.

While the Doha Round remains unconcluded, it is imperative that the provisions of the WTO Hong Kong Ministerial Declaration concerning duty-free and quota-free provisions be implemented as early harvest, particularly through necessary waivers to accelerate LDC services exports, preferential and more favourable treatment for services and service suppliers and elimination of trade-distorting support measures for cotton. In this context, we appreciate the efforts currently under way at the ministerial conference in Geneva this month to reach a first-step Doha Round outcome.

We express concern over the skewed distribution of aid for trade, as two thirds of the assistance goes to only 10 LDCs. In line with the Istanbul Programme of Action for the Least Developed Countries, our development partners should supply effective trade-related technical assistance and capacity-building to the LDCs on a priority basis, including by enhancing the share of assistance to the LDCs for aid for trade and support for the Enhanced Integrated Framework.

Given the economic vulnerability of the LDCs, we stress that new aid-for-trade commitments should be predictable, grant-based and additional to existing official development assistance (ODA) commitments.

Official development assistance remains the largest source of external financing for all the LDCs. Therefore, it is a matter of serious concern that there is still a huge gap between the aid commitments and actual delivery. ODA to the LDCs stands at 0.10 per cent of aggregated gross national income of the countries that are donors through the Development Assistance Committee of the Organization for Economic Cooperation and Development. That is still well below the target of 0.15 to 0.20 per cent by 2015.

Moreover, we note with concern that while country programmable aid to the majority of the LDCs is projected to increase by a total of $3.1 billion from 2009 to 2012, 13 LDCs are likely to face a reduction of $0.8 billion, with virtually no growth projected for 2012. In this context, we emphasize that the Istanbul Programme of Action calls upon the donor countries to implement their ODA commitments by 2015 and to consider further enhancing the resources for the LDCs thereafter.

We stress that aid allocation should take into account recipients' needs and structural vulnerabilities and should be widely distributed. All external resources, including ODA, need to be fully aligned with national priorities and needs of the LDCs. Such resources should be channelled through national budgetary systems. National leadership and ownership of the LDCs must be fully respected in the development process. We call for concrete efforts towards untying aid, greater donor coordination and financial support to LDCs in post-conflict situations.

We express deep concern that despite the Heavily Indebted Poor Countries Initiative (HIPC) and the Multilateral Debt Relief Initiative, many LDCs are still grappling with a high debt burden. Debt service takes up a large chunk of their resources. The international community should undertake effective measures, particularly through full cancellation of multilateral and bilateral debts owed by all LDCs to creditors, in order to ensure their long-term debt sustainability. Moreover, the debt problems of non-HIPC LDCs have worsened due to the multiple global crises. We therefore call upon the Bretton Woods institutions to renew the extension of the HIPC initiative to address the debt problems of all LDCs.

The volume of foreign direct investment (FDI) flows to the LDCs remains low, and FDI is mostly concentrated in extractive sectors. Development partners should encourage their companies, through incentive schemes, to diversify their investments in the productive sectors of the LDCs and enhance the development impact of FDI.

In view of the growing inflows of remittances in the LDCs, there is a need to enhance their developmental impact. Host and home countries alike need to make greater efforts to tap the economic potential of diasporas by creating an enabling legal, regulatory and institutional environment and by reducing transaction costs. The safety and security of migrant workers, as well as non-discrimination and fair treatment, must be given due attention.

Given the tremendous financing needs of LDCs in the climate change and environmental sectors, in addition to yet-to-be-realized fast-track finance and the Green Climate Fund, the potential of innovative financing mechanisms should be further explored and expanded, with due priority given to LDCs. Innovative sources of financing should in no way substitute for the traditional sources of financing, in particular ODA.

We call for substantive and comprehensive reform in the international financial system and architecture on a priority basis. In that reform, the voice and participation of LDCs in the decision-making and norm-setting process of the Bretton Woods institutions should be ensured. It is essential that the international financial institutions recognize LDCs as a special category, based on the United Nations vulnerability index, in order to enhance the efficacy of their support measures for that group of countries. We furthermore stress that the international trade and finance architecture should be supportive of LDCs and respond to their special needs and priorities.

In the context of today's discussions on financing for development, we re-emphasize the need for the full, timely and effective implementation of the Istanbul Programme of Action in order to materialize the vision of the Monterrey Consensus, with the twenty-first century becoming the century for development for all, including LDCs.

The Acting President: I now give the floor to the observer of the European Union.

Mr. Mayr-Harting (European Union): I have the honour to speak on behalf of the European Union and its member States.

First of all, we are pleased to participate in this fifth High-level Dialogue on Financing for Development. Since the adoption of the Monterrey Consensus in 2002, the financing for development agenda has been related to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). It is now time to complete the remaining business related to the MDGs.

Mobilizing development financing from all available sources is crucial to fighting poverty and achieving the Goals. The most important source of development finance remains developing countries' State budgets. Other sources include foreign direct investment flow, official development assistance (ODA) — which is complementary to and a catalyst for other international sources — migrants' remittances, private charities, investment loans and the increasing amounts spent by the new economic Powers.

Developing countries have the ownership of, and primary responsibility, for their own development. An enabling domestic environment in developing countries, including stronger tax systems and improved policy and governance frameworks, is vital for mobilizing domestic resources. Aid alone will never be enough to sustainably address the development needs of developing countries.

International capital flows, remittances and, to some extent, foreign direct investment have been particularly volatile over the past four years. The renewal of confidence in global markets will help to increase and stabilize those international flows.

Considerable progress has been made since the Monterrey Consensus in raising resources through innovative financing mechanisms. There is a clear need to mobilize more non-governmental contributions that are supplementary to traditional sources. The European Union is exploring new financing approaches that help to mobilize additional funding from new sources and partners, especially the private sector. In line with the Group of 20 declaration, we acknowledge the initiatives in some of our countries to tax the financial sector for various purposes, including a financial transaction tax, inter alia, to support development.

The European Union sees external trade policy as being of paramount importance. In difficult economic and political times, open trade and investment policies remain among the most effective tools to promote sustained economic recovery. It is crucial that World Trade Organization (WTO) members advance the multilateral trade negotiations agenda at the eighth Ministerial Conference of the WTO, to be held next week in Geneva.

In 2010, global ODA reached a historical high, as did the European Union's collective ODA, in the amount of €54 billion. The European Union also accounted for 65 per cent of the aid increases since 2004, and continues to mobilize more than half of global aid. We have set ourselves the ambitious goal of increasing aid collectively to 0.7 per cent of gross national income by 2015. In 2010, our aid continued to increase, by more than €4.5 billion. However, we were short of our intermediate collective target. In June, European Union heads of State and Government reaffirmed the Union's commitment to achieving those development aid targets by 2015.

The European Union common position for last week's Busan Forum on Aid Effectiveness stressed that results and accountability, democratic ownership, transparency and reduced aid fragmentation were key aid-effectiveness issues. We welcome the Busan Partnership for Effective Development Cooperation, which for the first time establishes an agreed framework for aid and development effectiveness that embraces traditional donors and emerging economies as well as civil society and other development actors.

Policy coherence for development has been enshrined as an objective in the treaties of the European Union. The European Union takes development objectives into account in those of its non-development policies that are likely to affect developing countries. The European Commission Policy Coherence for Development work programme 2010 to 2013 focuses on those policy challenges that are considered most relevant for meeting the MDGs, notably trade and finance, climate change, food security, migration and security.

In conclusion, I would agree that we still face significant development challenges. The green shoots of change are there, but we cannot leave them untended. We need to do more and nurture them. My pride in what we in Europe have achieved in development is tempered only by our sense of frustration that there is much more for us to do. We will continue with all our partners to strive to achieve the internationally agreed development goals, including the Millennium Development Goals.

Mr. Fozle Hossain Badshah (Bangladesh): My delegation associates itself with the statements made by the representatives of Argentina and Nepal, who spoke on behalf of the Group of 77 and China and the least developed countries (LDCs), respectively. We are aware that this High-level Dialogue is being convened in accordance with resolution 65/314 to take stock of the status of implementation of the Monterrey Consensus of the International Conference on Financing for Development and the Doha Declaration on Financing for Development, as well as of the tasks ahead in that connection.

Ten years after the holding of the International Conference on Financing for Development in Monterrey, the consensus achieved there is now languishing in the doldrums. Worse, the commitments made in Monterrey are being misinterpreted, and the notion of consensus itself is being presented in an arbitrary way. The situation is regrettable, as it is tantamount to mockery of the world's poorer countries. The negative implications for development of the ongoing economic and financial crisis, as well as its damaging impact on the flow of direct investment, external debt and international trade, are worsening socio-economic conditions and are hampering the development efforts of poorer countries, in particular the LDCs.

The impact of the global financial and economic crisis, coupled with food and fuel price hikes, is negatively affecting the growth prospects of those countries, reversing their development trends, leading to increased poverty and severely limiting their ability to enact appropriate fiscal measures aimed at mitigating the impact of the crisis on development, especially in connection with meeting the internationally agreed development goals, including the Millennium Development Goals.

It is understood that the mobilization of domestic resources is essential for enhanced economic growth. However, many developing countries are far from reaching the growth rate and investment ratios necessary for development to be sustainable. Therefore, in addition to domestic actions, international support is a must. National efforts must be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty. In that regard, we urge the international community to make a strong commitment to mobilizing adequate resources so as to facilitate sustained economic growth and sustainable development in developing countries, particularly the LDCs.

The 2010 High-level Plenary Meeting of the General Assembly on the Millennium Development Goals and the 2011 fourth United Nations Conference on the Least Developed Countries reiterated the critical importance of fulfilling all official development assistance commitments and encouraged all donors to establish timetables for reaching their goals. We believe that it is high time for donor countries to sit down with the LDCs and agree on mechanisms to fulfil their official development assistance commitments, including the commitment to allocate 0.15 to 0.20 per cent of their gross domestic product towards international cooperation.

Trade remains a vital engine for growth, but it has so far been shackled by tariff, non-tariff and para-tariff barriers and many other protectionist measures. Market access continues to be a major obstacle to exports from developing countries. We echo the Group of 77 and China in stating that, in order to fully harness the potential of trade, it is important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly for the LDCs.

We believe that it is the United Nations that possesses the central authority to legitimately broker all trade-related global affairs. We reiterate our view that the United Nations plays a central role as the focal point for the financing for development follow-up process, while reaffirming the need to further intensify the engagement of all stakeholders, including the United Nations system, the World Bank, the International Monetary Fund and the World Trade Organization, in the follow-up and implementation of the commitments made at Monterrey and Doha.

We also reiterate our principled position in favour of a substantive and comprehensive reform of the international economic and financial system and architecture, including of the mandates, scope and governance of the Bretton Woods institutions. The LDCs in particular should be given special consideration, so that their voice may be heard in the top world economic and financial bodies and the cause of their teeming millions addressed.

Finally, the delegation of Bangladesh underscores its readiness to engage in any future debate on financing for development, with a view to achieving the full implementation of the Monterrey and Doha commitments.

Mr. Thomson (Australia): Nearly 10 years on from the Monterrey Consensus, the international community faces the prospect of another major economic downturn. That will reverse hard-won development gains and once again erase the hopes of hundreds of millions, robbing them of their chance to escape the cruel cycle of poverty. It is a sobering reminder of the urgency of institutional and policy reforms to increase financial flows for development.

We know that development requires increased aid investments. That is why Australia has doubled the size of its aid programme in the five years to 2010, and we will double it again to more than $9 billion by 2015. We are one of only a few countries with an increasing aid budget. But fostering development also requires fair policies in areas such as trade, agriculture, climate change and environment.

The international community must step up its efforts to finance growth-stimulating sectors in developing countries. Traditional development aid provides approximately $120 billion each year, but more than $1.5 trillion in financial assets are currently available around the world. We must use public finance to leverage a much larger quantum of private capital for development. If we are to meet the deficit in investments in developing countries, it is also vital to look at the potential of innovative mechanisms, including pull mechanisms, where donors stimulate demand for new technologies. We must build on the experience of innovative financing models, such as those of the Global Alliance for Vaccines and Immunization and the Global Partnership for Education, to mobilize finance for development.

We must also ensure that the worthy steps outlined in recent initiatives, such as the Group of 20 (G-20) action plan for growth and jobs, are implemented in a timely manner. Australia has been active in advancing aspects of the G-20 development agenda on growth and resilience, in close partnership with Indonesia and Italy. The measures will have far-reaching benefits for developing countries. We have set a new target for reducing the cost of global remittances that is estimated to have the potential to generate an additional $15 billion per year for recipient populations, and to protect the poorest in times of global crisis through social protection mechanisms.

As a leader in the mining industry, Australia will share its expertise and experience in order to help resource-rich developing countries maximize the benefits of mining in a sustainable way. That will be supported by our new $127 million Mining for Development Initiative for developing countries. In partnership with the International Monetary Fund, we are also assisting up to 40 African countries in areas such as tax policy and revenue administration. That is assistance that helps to build sustainability and prosperity for the future.

Collectively, we must pursue trade liberalization and reform of the international financial institutions to make them globally representative and responsive. We call on other Member States to join Australia in providing duty-free, quota-free market access for all least developed country exports. We urge the World Trade Organization (WTO) and Member States to continue to pursue ambitious results in the WTO Doha Development Round. It is clear that the existing pathway to global trade has reached a deadlock. Progress should be possible if we divide the Doha agenda into manageable parts and agree on the actions needed under each of the components.

Of course, market access improvements should be complemented by strengthened aid-for-trade efforts to address the major supply-side constraints faced by developing countries. This means increasing investments in private- and public-sector capabilities and in transport, energy and communications infrastructure. We must also do more to support employment creation in developing countries, particularly for women and young people, and agricultural development.

Australia is increasing its assistance to the least developed countries in line with the specific goals and needs outlined in the 2011 Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020 (A/CONF.219/3). Our endorsement of the New Deal for international engagement in fragile States put forward in Busan affirms our support for fragile and conflict-affected countries as they seek to make the most efficient use of the domestic and international resources available for development.

We will also continue to assist small island developing States in dealing with their specific vulnerabilities, including through our fast-start climate change financing support, which totals nearly $600 million. Australia and Pakistan have been making an important contribution to climate finance for the future as Vice-Chairs of the Transitional Committee for the design of the new Green Climate Fund.

To conclude, now is not the time for donors to pull back from our financing for development commitments. It is a time for decisive action and innovation. It is a time for genuine global partnership.

Mr. Wang Min (China) (*spoke in Chinese*): China supports the statement made by the representative of Argentina on behalf of the Group of 77 and China.

The Monterrey Consensus and the Doha Declaration are important international instruments for financing for development and constitute a comprehensive framework for efforts in this field. However, nearly 10 years have now elapsed and the wonderful blueprint envisaged by the Monterrey Consensus has yet to be translated into reality; the official development assistance (ODA) of developed countries falls far short of the targets that have been set; and a large number of developing countries, in particular the least developed countries (LDCs), are still constrained by a lack of resources for development and by a deteriorating development environment.

What is even more worrying is that some major economies are experiencing a drop in their economic growth rate. Some are facing severe sovereign debt problems; the international financial market is excessively volatile; and protectionism in all its forms is on the rise. The world economic recovery is fraught with instability and uncertainty and faces increasing risks and challenges. Factors such as the spillover effect of the debt crisis in the developed countries, the fluctuation in international bulk commodity prices, and climate change have further hampered the efforts of developing countries to meet the Millennium Development Goals and achieve sustainable development.

Against such a backdrop, the convening of this High-level Dialogue is of even greater relevance. The United Nations, as the most representative and authoritative international Organization, has all the more reason to continue to play a leading role in the field of financing for development. We hope that all parties will take advantage of the opportunity provided by the Dialogue, overcome differences and difficulties, and demonstrate vision and goodwill in attempting to solve the problems of financing for development. To that end, China proposes that the international community should focus its work in the following areas.

First, we should make concerted efforts to achieve strong, sustained and balanced growth for the world economy as soon as possible. The recovery and growth of the world economy is an important way to promote development. Particularly in the current situation, where the world economy faces severe risks and the market is beset with volatility, ensuring growth and promoting stability should be the international community's top priority. Countries should strengthen macroeconomic policy coordination. Developed countries in particular should adopt responsible fiscal and monetary policies, properly address their debt problems, keep market investment safe and stable, and refrain from trade protectionism. Developing countries should promote growth through comprehensive policies and measures aimed at mobilizing domestic resources for their own development.

Secondly, we should muster the political will needed to continue to push for the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. ODA is essential to the developing countries, and the LDCs in particular; the financial crisis should not be used as an excuse for developed countries to shirk their development assistance obligations. At this difficult time, we must call on developed countries more than ever before to show goodwill and honour their commitments by providing developing countries with adequate, stable and predictable resources. The international financial institutions should intensify their efforts towards the coherent mobilization of all sources of financing for development. China is in favour of strengthening the follow-up mechanism of the Monterrey Conference and calls for the expedited implementation of the Monterrey Consensus.

Thirdly, global economic governance must be enhanced so as to create a favourable external environment for the development of the developing countries. The financial crisis has driven home the need for a reform of the international financial system so as to further increase the representation and the voice of the developing countries in global economic governance. Countries should reject protectionism in trade and investment and vigorously push the Doha negotiations forward with a view to establishing an equitable, rational and non-discriminatory international trade system. The international community should also facilitate the establishment of more rational and transparent pricing and regulation mechanisms for bulk commodities, strengthen supervision and combat speculation in an effort to guarantee global energy and food security, especially to satisfy the energy and food needs of the developing countries.

Fourthly, we must explore innovative financing mechanisms while maintaining ODA as the main channel for funding. Innovative financing opens new horizons for multiplying channels of financing for development. However, many issues remain to be clarified, particularly as concerns the following principles.

ODA, as an important basis for international cooperation for development, represents the major source of financing for development of many developing countries; innovative financing provides the developing countries with additional resources but is not a substitute for ODA; innovative financing mechanisms should be based on the principle of voluntarism, and the national conditions and development priorities of the recipient countries should be respected and their ownership and policy space ensured; the relationship between innovative financing and ODA should be further clarified so as to avoid double-counting; and the procedure for applying for and using innovative financing should be simplified, so that the developing countries are not subject to any extra burden.

Fifthly, aid effectiveness should be based on the adequacy of funds, and the global development partnership must not be confused with South-South cooperation. China believes that the key to enhancing aid effectiveness is to ensure adequate development assistance funds, without which any discussion of aid effectiveness would be tantamount to putting the cart before the horse or building castles in the air.

China attaches importance to aid effectiveness, associates itself with the fundamental principles contained in the Paris Declaration, and is ready to further discuss this issue with others. However, the Paris Declaration applies mainly to North-South cooperation and should not be extended to South-South cooperation. China also wishes to emphasize that South-South cooperation, as a type of cooperation in which the poor help the poor, is a complement to, not a substitute for, North-South cooperation. The developing countries should not assume the development assistance obligations of the developed countries.

As a developing country, China has a per capita gross domestic product that equals only about one tenth of that of the developed countries; there are still 150 million Chinese people living under the poverty line as defined by the United Nations. On its path to development, China still faces immense difficulties. China regards development as a top priority and, while working hard for its own development, has been doing its best to provide assistance to other developing countries under the South-South cooperation framework.

In recent years, China has announced a series of initiatives to help other developing countries improve their peoples' livelihoods and reduce their debt burden, and to strengthen cooperation with other developing countries in the financial, economic, trade and agricultural areas and in human resources training. Those initiatives are now being implemented step by step.

In order to help African countries cope with this year's severe drought and food crises, the Chinese Government has announced emergency food relief worth 533.2 million yuan renminbi to the affected countries. Not long ago, at the sixth summit of the Group of 20, President Hu Jintao announced that under the South-South cooperation framework, China would grant zero-tariff treatment to 97 per cent of tariff items of exports to China from those least developed countries that have diplomatic relations with China.

Looking ahead, China is ready to continue to work under the South-South cooperation framework, actively participate in the international financing for development process, promote the full implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, and contribute to international cooperation for development.

Mr. Abdelaziz (Egypt) (*spoke in Arabic*): At the outset, I wish to express our full support for the statements made earlier by the representatives of the Group of 77 and China, the African Group and the Group of 15.

The High-level Dialogue on Financing for Development of the General Assembly is the main forum in which we review the progress achieved in the implementation of commitments related to this important issue, particularly in view of the tremendous financial and economic challenges facing the global economy, including the second wave of the world financial and economic crisis, whose manifestations include the sovereign debt crisis in a number of European countries, the continued decline in employment rates, and the growing increase in food and energy prices. That economic situation is intensifying the burden on developing countries, limiting their ability to create job opportunities, eradicate poverty and achieve the desired economic and social development objectives.

These challenges, however, represent a real test of the solidity of our commitment to the cause of strengthening the global partnership for development and supporting the efforts of developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals (MDGs). It is a commitment that has been reaffirmed in many international forums, including the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals, held in September 2010, and the fourth United Nations Conference on the Least Developed Countries.

In this regard, Egypt stresses that the achievement of the MDGs by 2015 can be realized only through strengthening the developmental partnership between developed and developing countries and the cooperation among developing countries within the framework of South-South cooperation, as well as strengthening partnerships between the public and the private sectors and civil society organizations and institutions. In addition, supporting the efforts of developing countries in this regard should be given a high priority on the national and international policy agenda, in order to contribute to the mobilization of additional resources to support financing for development and to ensure the implementation of the commitments made under the Monterrey Consensus and the Doha Declaration, as well as to address the emerging challenges in the fields of energy, food security, climate change, inter alia.

Additional efforts are being made by developing countries to fulfil their commitments under Monterrey and Doha by mobilizing increasing levels of local resources for the implementation of development strategies, pursuing sound macroeconomic policies to support the achievement of development goals in accordance with national priorities, and achieving further progress in consolidating transparency, democracy and good governance — common responsibilities set out in the Busan Declaration. However, in order for national strategies aimed at achieving development objectives to succeed, there must be a favourable and conducive international environment — an environment that reflects the centrality of the issue of development on the international agenda and the enhancement of a firm political will to promote development.

There is no doubt that one of the important elements of this development environment is the fulfilment by developed countries of their financing for development commitments, particularly the allocation of 0.7 per cent of their gross national product for development financing, and to deliver on the commitment of the Group of Eight summit held in Gleneagles to double official development assistance to Africa by 2010. It is also critical to implement the political declaration on Africa's development needs (resolution 63/1) and the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development (resolution 63/303, annex), which are far from full implementation. While Egypt is ready to consider relevant initiatives in connection with innovative financing mechanisms, it emphasizes that such mechanisms should be additional and complementary to those generated by traditional sources of financing for development and not a substitute for them.

In the same context, all efforts should be directed towards maximizing the developmental role of international trade. The African leaders' decision to make the issue of strengthening intra-African trade the main theme of the Summit of the African Union, to be held in January 2012, is a clear indication of the significant importance that developing countries attach to trade as an engine for development. In that regard, Egypt stresses the importance of the reaffirmation by the Eighth World Trade Organization Ministerial Conference of the development mandate of the Doha Round of negotiations, and recognizes that that mandate should continue to be the basis for any new movement towards concluding the coming round. In addition, international support for developing countries in the areas of market access and aid for trade should be further enhanced.

Furthermore, the negative effects of the world financial and economic crisis on the foreign debt sustainability of developing countries make it necessary to set up a debt workout mechanism that involves all creditors, in order to contribute to a comprehensive treatment of the debt issue, including the debt of middle-income countries. Those impacts also underline the need to exert more efforts to enhance the effectiveness of the global financial safety nets.

By the same token, the process of reform of the international economic and financial system, which is aimed at achieving financial stability and sustainable growth, requires a further strengthening of the role and participation of developing countries in international decision-making processes. In that regard, Egypt stresses the importance of ensuring equitable representation of developing countries, especially African countries, in all international formal and informal multilateral arrangements and mechanisms related to international economic decision-making. It is also important that the United Nations assume the central role in this regard, with the support of all other mechanisms and groupings.

Egypt, like other developing countries, has suffered the burden of mitigating the repercussions of the world financial and economic crisis, as well as the food and energy crises, which resulted in huge challenges. That is especially true in the field of food security, because Egypt is among the net food-importing developing countries. In addition to those challenges, the Egyptian economy is facing additional pressures related to securing resources that are adequate to increase social spending in order to improve the standard of living of Egyptians and promote justice and social inclusion, which are key factors in creating an environment supportive of Egypt's current democratic transition.

In that context, despite the current decline in economic activity, we believe that the current steps in the transition towards democracy and the strengthening of transparency, good governance and respect for human rights and fundamental freedoms will contribute positively to improving the economic and investment climate in Egypt and enhance the productive capacities of the Egyptian economy. Egypt looks forward to the support of the international community during this important transitional phase.

In conclusion, the close link between financing for development and the success of our efforts to achieve the internationally agreed development goals makes strengthening the financing for development follow-up process indispensable. In this regard, Egypt looks forward to reaching a consensus among Member States on holding a follow-up conference on financing for development by 2013, to review the implementation of the provisions of the Monterrey Consensus and the Doha Declaration and to identify the obstacles facing the implementation process and ways to address them. We look forward to the full support of the Secretary-General in this regard.

Finally, it was because of its commitment to the cause of development and its long-standing belief in the crucial role of financing for development and in supporting the achievement of development objectives that Egypt — along with Norway — led the intergovernmental negotiations that culminated in the adoption of the Doha Declaration on Financing for Development. Egypt will continue to participate actively in all international efforts and initiatives aimed at strengthening the international development agenda. Foremost among those are the United Nations Conference on Sustainable Development, Rio+20, in June 2012 — in whose Preparatory Committee Egypt, along with Botswana, has the honour to represent Africa — and the consultations on a follow-up to the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development, which we hope will contribute to advancing the global partnership for development.

Mr. Gálvez (Chile) (*spoke in Spanish*): The Monterrey Consensus on Financing for Development, adopted in March 2002 at the International Conference on Financing for Development, was the result of a process of dialogue, consultations and negotiations in the General Assembly that lasted for more than five years. I was pleased to share in that five-year process here in the Assembly.

What about that statement was so singular and important as to justify such a long process of consensus-building? In the preceding decade the United Nations had forged major global agreements on very important issues on the social and economic agenda, in very important summits — the Conference on Environment and Development, in Rio; the Fourth World Conference on Women, in Beijing; the World Summit for Social Development, in Copenhagen; and others. Monterrey was in line with those great achievements, but it was also different in its complexity and thematic ambition.

There are various reasons underlying that complexity and the difficulties encountered on the path to the Monterrey Consensus, and many elements made it an achievement of unusually far-reaching importance for the United Nations. First was the decision to devote ourselves substantively to the issues of trade, finance and other aspects of the workings of the world economy, above and beyond the prevailing issue of official development assistance. Those were sensitive issues for some countries, which were troubled by the United Nations addressing issues that they would have preferred remain the sole domain of other international institutions.

Secondly, there was a will to work in an integrated manner jointly with all relevant actors, including the Bretton Woods institutions, the World Trade Organization, the United Nations Conference on Trade and Development, civil society, the private and academic sectors — which was a source of concern to some. However, the decision was in keeping with the will to work with all relevant actors on issues of world economic governance, and that was one of the distinctive aspects of the Monterrey process. Because of the thematic complexity and the suspicions harboured by various parties, a lengthy process was required so as to build confidence and demonstrate that, united, we could work together to bring about a new vision for the world economy.

The Monterrey process sought to use the unique convening capacity of the United Nations in the context of a political process at the highest level, in order to round off the series of major United Nations summits and conferences in the social and economic spheres. It was not a question of assuming the responsibilities of the financial, monetary or world trade institutions, with their specialized and technical focuses. The contribution of the United Nations in that respect was the political and the development perspective in the context of global economic issues. It was a quest by the leaders of the world, at the highest level, to provide direction and guidelines for the world economy.

Clearly, issues were to be addressed that fell within the specialized purview of the Bretton Woods institutions and the World Trade Organization. For that very reason, those institutions were invited to collaborate and join forces with the United Nations. For that reason, it was to be not a United Nations conference but an international conference. Work took place through an integrated secretariat made up of representatives of all of the relevant concerned parties. The process was an example of integrated and coherent work, involving all relevant interested actors, towards a political outcome aimed at guiding the efforts of all the institutions involved, not just the United Nations.

Moreover, a very important point about the United Nations implementation process is that all of the various topics on the agenda — the national mobilization of financial resources, trade, international financing, development assistance and sovereign debt problems — should be viewed holistically, as interrelated and not separate. That would bring fundamental value added to the usual specific, technical approach to each issue in the various international financial and commercial institutions. In that way, the subject of development would be addressed from all relevant viewpoints, taking into account the national, international and systemic aspects of the issue.

The Monterrey Consensus is based on the premise that each country has the primary responsibility for its own economic and social development. For that reason, its very first leading action involves the mobilization of domestic financial resources for development. Moreover, national development efforts require, and should be supported by, a favourable international economic environment.

The development agenda has been a truly broad and comprehensive one, but the Monterrey Consensus went well beyond that by also addressing the so-called systemic issues in the international architecture. It attached vital importance to the functioning and coherence of the international monetary, financial and trading systems, with special emphasis on the need to ensure the greater participation of developing nations in decision-making, all with a view to establishing a global economic system that works to the benefit of all.

Ten years have elapsed since the Monterrey Consensus, and we had an opportunity to reiterate its principles and objectives at the Doha Review Conference in 2008. I believe that we can point to many achievements, starting with the revitalization of the United Nations as an exceptional forum for addressing the world's economic issues from the development standpoint.

Specific achievements have been recorded in many different areas, including the relative increase in development aid immediately following the Conference, foreign trade assistance programmes for developing countries, the promotion of initiatives to increase the voice and participation of developing countries in the Bretton Woods institutions, and the launching of major initiatives to identify innovative financing sources.

Unfortunately, progress was not made in the areas identified as urgent at Monterrey, in connection with which the international community was supposed to act to improve the functioning of the global economy, both to promote equitable global growth and to ensure environmentally and socially sustainable conditions. Those areas include the prudential regulation of international capital flows, the volatility of commodity prices, the lack of a global mechanism for international cooperation in fiscal matters, and the need to devise appropriate modalities for the treatment of sovereign debt.

Likewise, I believe that we have failed at the most basic level. Ten years have already elapsed, and we have not managed to establish a clear dynamic for burden-sharing between the United Nations and other relevant institutional actors with a view to further developing the global economy. Our joint meetings with the Bretton Woods institutions and the World Trade Organization do not appear to be as relevant as they should be. Those institutional actors have been unable to properly set up a common secretariat to implement the Monterrey Consensus.

What can we do to re-establish the enthusiasm, confidence and collaboration of all actors in that process? How can we create the conditions under which to provide appropriate impetus, with the participation of all actors, to address the gaps and deficiencies that we all see in the international monetary, trading and financial systems? It seems to me that we need to get back to basics. Monterrey will not be justified unless it takes the form of an inclusive political project in which all issues on the international economic agenda are examined from the standpoint of development and its interrelationships.

We must work to redefine and identify the gaps and deficiencies in global economic governance. Some of those issues are being discussed in the Rio+20 Conference negotiations, and we should await the results, especially in connection with potential structural reforms in the United Nations system to define the universally shared principles and objectives of sustainable development. In that respect, resolution 65/94, entitled "The United Nations in global governance", can provide us with a road map for those discussions.

For Chile, the process of financing for development must be a fundamental point of reference for a United Nations that truly seeks to make a difference in terms of the development pillar. That endeavour will involve cooperation and work with all relevant actors, along with an indispensable contribution from civil society, in order to give impetus to measures and promote innovative approaches in the quest for a global economic system that will facilitate equitable and sustainable economic growth.

As we celebrate the tenth anniversary of the Monterrey Consensus, in 2013, we trust that we will once again find ourselves imbued with the Monterrey spirit and that, bolstered by a strengthened alliance for development, we will contribute to United Nations efforts to promote a world of solidarity, justice and cooperation in international economic relations.

Mr. Thiam (Senegal) (*spoke in French*): It is a great pleasure for me to share with you, Sir, and all of the delegations in attendance the views of my country on the important issue of financing for development.

My country's views echo those expressed by the representatives of Argentina and the United Republic of Tanzania on behalf of the Group of 77 and China and the Group of African States, respectively.

Despite the great hopes it raised, the adoption of the Monterrey Consensus in 2002 has not enabled the countries of the South to correct their economic imbalances and spark economic growth. That is the result of the current challenges we are facing.

Indeed, the results of efforts to mobilize national resources and foreign capital flows and boost international trade did not live up to expectations. In addition to those shortcomings, we have seen shrinking export revenues, a decrease in repatriated capital and a downturn in foreign direct investment. Investment and growth rates have also fallen.

Notwithstanding the progress made in some areas, effectively achieving the objectives established in the Monterrey Consensus will require additional efforts from all stakeholders. That is why the international community should play a more proactive role in the implementation of international commitments, particularly in terms of official development assistance (ODA). Those objectives and commitments are set forth in the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020.

Given that ODA is crucial for kick-starting the economies of developing countries, the international community should make additional efforts if it is to achieve its objective of reducing poverty. New approaches designed, inter alia, to ensure aid predictability are needed to enhance aid effectiveness, which in turn requires partnerships based on support for local development policies. In that connection, honouring the promises set forth in the Busan Partnership for Effective Development Cooperation, adopted at the fourth High-level Forum on Aid Effectiveness, could, in our view, help further the cause of such a partnership.

Moreover, we need to ensure the better management of external debt and global economic governance reform. We welcome the commitment made in this connection by the Group of 20 at the Cannes summit, held on 3 and 4 November 2011.

Likewise, efforts to foster a fair multilateral trade system need to be strengthened. To that end, protectionist measures must be abolished in order to provide LDCs with easier access to the markets of the countries of the North. The conclusion of the Doha Round of trade negotiations and the realization of aid for trade, as expected, are consistent with that approach. Those measures should be complemented by a strengthening of existing regional financial cooperation institutions and support for new initiatives, including the establishment of the African Central Bank, the African Monetary Fund and the African Investment Bank.

The lack of resources from traditional sources of financing for development has led to the emergence of innovative mechanisms capable of generating stable and predictable additional sources of financing. In that regard, we have seen numerous concrete initiatives, including a tax on airline tickets that has provided access to health care for around 350,000 children across the world. It has also enabled support to be provided to 90 countries in their fight against HIV/AIDS, malaria and tuberculosis. That is why my delegation welcomes those important initiatives, for which Senegal pledges its complete support.

In that connection, we deem necessary the implementation of an international tax on financial transactions, since it could enable the mobilization of the $20 billion that is required to cover structural shortfalls in financing for development. However, my delegation is of the view that such a tax should be less restrictive when it comes to remittances sent by migrants to their families, given the significant contribution that those funds make to economic and social development in developing countries.

My country calls upon States to continue giving consideration to that issue. We call for an appropriate redistribution of the proceeds of such a tax to target countries based on their priorities. In the same vein, and in the light of the clear role to be played by agriculture in the transition to a green economy and to strengthening food security, I would like to suggest that consideration be given to allocating to the agricultural sector some of the additional resources derived from innovative financing mechanisms. The same approach could be adopted in other areas, such as those related to climate, desertification and soil degradation.

To conclude, my delegation wishes to emphasize that such new sources of financing, which are in essence additional sources, must not replace traditional financing mechanisms, nor should they have any effect on their size or volume.

The meeting rose at 1.05 p.m.