

23 October 2007

**Statement of H.E. Mr. Srgjan Kerim,  
President of the 62nd Session of the General Assembly,  
at the Opening of the High-Level Dialogue on Financing for  
Development**

Secretary-General,  
Excellencies,  
Ladies and gentlemen,

I would like to sincerely welcome you all to the High-level Dialogue on Financing for Development.

The Dialogue will begin the intergovernmental follow-up to review the implementation of the 2002 Monterrey Conference and assess the challenges ahead. Over the next couple of days we shall hold a series of plenary meetings and six multi-stakeholder roundtables on the major thematic areas of the Monterrey Consensus.

I would encourage you all to engage in a frank, inclusive and open exchange of views with all stakeholders. By doing so, we can make a substantive contribution to the preparation of the Follow-up Conference in Doha.

In this regard, I would like to commend the important contributions made yesterday by civil society and NGOs, in particular on innovative sources of development finance and trade.

The overall message from the Hearings was clear. We have reached a critical juncture in the Financing for development agenda. Despite the promises made, progress has been slower than expected. While there have been some successes, many of the development finance objectives set in 2002 have not yet been met.

Excellencies,

At Monterrey, developing countries acknowledged primary responsibility for their own development. They committed to create sound fiscal, economic and social policies to that end. In return, donors agreed to support them through more and better aid, debt relief and fairer trade, and give them a more equal voice in the international system.

The Consensus embodies the mutual responsibilities of developed and developing countries. I would like to briefly outline progress achieved in each of the six areas:

- (1) Domestic resource mobilization. Macroeconomic and fiscal management has improved in most developing countries, creating higher savings and investment. However, despite increased social expenditures, poverty is still on the rise, especially in Africa.
- (2) Private capital flows. A dozen fast-growing, resource-rich countries account for some 70 per cent of the increases of private capital flows to developing countries. More needs to be done to encourage investment in low-income countries.
- (3) International trade. Major challenges remain in realizing the Doha round of multilateral trade negotiations. While international trade has increased, new forms of protectionism have arisen. All countries involved in the Doha Trade Round should aim to forge a open, non-discriminatory and equitable multilateral trading system.
- (4) Official aid. We should congratulate around two thirds of donor countries who met 2006 targets to increase official development assistance (ODA) that they set in Monterrey. However, in 2006, development aid from OECD countries fell by 5 per cent. Aid to sub-Saharan Africa, excluding debt relief, remained static. On current trends ODA for the period 2006-2010 will fall short of targets. Improving aid effectiveness and exploring innovative sources of development finance remain priorities.
- (5) External debt. The Multilateral Debt Relief Initiative has freed up essential resources for investment in public services. However, putting all low-income countries on the path to debt sustainability and poverty reduction remains a major challenge.
- (6) Systemic issues. Finally, global governance and the international financial architecture need to be more responsive to the profound changes in the global economy, in particular, on global imbalances and market transparency. Increasing the voice and participation of developing countries remains a priority, on which the legitimacy and credibility of some institutions now depends.

Excellencies,

Since its adoption in 2002, the Monterrey Consensus has remained at the heart of the United Nations development debate. In 2005, it was reaffirmed by leaders at the World Summit. That same year at Gleneagles, G8 leaders agreed to make progress on trade, provide \$50 billion extra in aid, with \$25 billion to Africa, by 2010. They set new targets for access for all to Aids treatment, free basic education and health care.

Again in Heiligendamm in 2007, G8 leaders recommitted to increase development assistance and announced an additional US\$60 billion to fight Aids, Malaria and Tuberculosis.

If implemented, existing commitments to finance development are enough to achieve the MDGs, even in Africa. But each side of the partnership must deliver. This is the spirit of the Monterrey Consensus.

As developing countries adopt comprehensive national strategies then donors must deliver on commitments to provide additional assistance to enable them to succeed.

Unchecked, bad governance and corruption will undermine efforts to provide long term, predictable finance. However, lack of progress should not be an excuse for additional conditionality or delaying increases in ODA.

Developing countries need to develop credible long term investment plans, strengthen good governance and continue to fight corruption to encourage sustainable economic growth and an attractive environment for business.

To maintain the credibility of their commitments donors should accelerate their plans to scale up assistance; issue country-by country timelines for how they are going to increase aid, so partner governments can prepare supporting macroeconomic frameworks.

Time is running out to make the needed practical investments. The focus must now be squarely on implementation. Promises must be urgently translated into practical plans with systematic follow-through by all parties.

Developing countries need to know when additional new resources will arrive so that they can begin to plan.

Excellencies,

The adoption of this historic Consensus on Financing for Development laid the foundation for a global partnership for the international community to achieve the Millennium Development Goals.

It is in this context that the Review of the Implementation of the Monterrey Consensus in Doha next year will take place. Success in Doha will very much depend on the consensus we reach during the consultation process in the 62nd session of the General Assembly.

We can lay the political ground over the next couple of days. We need to judge progress made so far and assess future challenges, including supporting developing countries to adapt to and mitigate the affects of climate change.

We may face huge challenges, but we should take hope from the progress that has being made. In the past 40 years, life expectancy in the developing world increased by a quarter. In the past 30 years, illiteracy has fallen by half. In the past 20 years, 400 million people were lifted out of absolute poverty. Smallpox has been eradicated, and soon maybe polio too.

The debt of over 20 countries has been fully cancelled, over \$81 billion, helping some to provide free health care and to build new classrooms.

The US\$ 4 billion International Finance Facility for Immunization has been established to help save the lives of an additional 5 million children over the next decade.

At the fist thematic debate of the General Assembly in November 2006, the Islamic Development Bank announced US\$10 billion of new finance for the MDGs.

In 2007, the UAE announced a US\$10 billion fund to improve access and the quality of education in the Muslim world.

And recently, an International Health Partnership between donors, developing countries and UN organizations has been established.

Some Africa countries are demonstrating progress towards the MDGs is possible when strong government leadership and good policies are combined with adequate financial and technical support from the international community.

Excellencies,

Progress is possible. Above all we must demonstrate the political will. Millions of lives quite literally hang in the balance.

Along with the MDG framework, the Monterrey Consensus has helped strengthened our shared sense of purpose, harness and combine the energies of the UN, other institutions, faith groups, NGOs, civil society and the private sector.

If this - the greatest anti-poverty partnership in history - is insufficient to break from 'business as usual' many developing countries' and campaigners around the world will be left without hope. Global trust will be irredeemably undermined.

To avoid this, establish greater trust and renew confidence in the multilateral system it is critical that we all live up to our promises and commitments.

In doing so, we need to move beyond the simplistic division of the world into North and South which reflects more the past than today's world. We live in a far more complex and integrated global age, with new emerging economic powers and donors as well as private philanthropy in all regions of the world.

It is incumbent upon leaders from all these groups and stakeholders to demonstrate leadership and concerted action. Otherwise, by 2015 there will be more people struggling in poverty. Millions of people will not realize the basic promises of the MDGs in their lives.

I wish to thank those countries who are represented at a high level in this important meeting. I had hoped that the relevant international institutions would be represented at the highest level, given the high importance attached to the issue of Financing for Development.

Thank you.