

8 September 2008

**Statement of H.E. Mr. Srgjan Kerim,
President of the 62nd Session of the General Assembly,
at the Launch of Negotiations on the Outcome Document for the
Financing for Development Review Conference in Doha**

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

May I sincerely welcome you all – in particular, those experts who have come from capitals - to the formal launch of the negotiations on the Doha Outcome Document. I would like to begin by thanking all of the Permanent Missions here in New York for your consistent engagement throughout the preparatory process that fostered collaborative debates on the many substantive issues covered under Monterrey. In doing so, you have helped to lay the groundwork to get us here today. We must now build on this important work.

On behalf of the General Assembly, I would also like to use this opportunity to offer my sincere appreciation to the Emir of Qatar, His Royal Highness, Sheikh Hamad bin Khalifa Al-Thani, for hosting the Financing for Development Review Conference in Doha. I would also like to welcome the His Excellency Mr. Muhammad Al-Rumaihi, Qatar's Assistant Minister of Foreign Affairs, who has come to the General Assembly to represent the Prime Minister of Qatar, His Excellency Sheikh Hamad bin Jassim bin Jabr Al-Thani.

May I also commend the Secretary-General, Mr. Ban Ki-moon for throwing his weight behind the Financing for Development Review Conference. And for appointing two highly respected Special Envoys - Her Excellency, Mrs. Heidemarie Wieczorek-Zeul, German Minister for Development Cooperation and His Excellency, Mr. Trevor Manuel, South African Finance Minister to further elevate the importance of the Conference and preparatory Process.

I am confident that their high-level political engagement can increase the exposure and profile of the many critical issues that need to be addressed in Doha.

I especially welcome the presence and participation of H.E. Ambassador Léo Mérorès, the President of ECOSOC, which will ensure a more coordinated approach toward the Financing for Development process among the main bodies of the United Nations.

Excellencies,
Distinguished representatives,

I cannot overemphasize the importance of the Review Conference. We are all deeply aware of the precarious economic times we live in. The global financial system is embattled by the ongoing turmoil in international financial markets, high food and fuel prices, and stagnant growth. Systemic failures and economic uncertainties dominate both domestic and international political debates. Such conditions highlight the importance of renewing and retooling the “international financial architecture”.

It is no longer prudent to the stability of the global economy and our overall prosperity to ignore the growing economic influence of developing countries. Incorporating these emerging countries more fully in the world’s economic decision-making and norm-setting processes, should therefore no longer remain an option for debate, but a practical necessity.

By taking this first political step the international community will be far better placed to deal with the growing number of new challenges that are shaping the global debate. Such as, moving to low-carbon economic growth to halt the devastating effects of global climate change, mobilizing innovative sources of finance for development and promoting gender equality. All these pertinent issues require effective multilateral action to remedy. They cannot be overcome through unilateral or regional action alone.

During my term in office, I have sensed a growing willingness and solidarity - among all constituencies – to embark on a comprehensive review of the overall approach and institutional arrangements in place to promote international development and economic cooperation. We need a better model for economic development that reflects the needs and aspirations of people living in the 21st century, not the 20th century!

Excellencies,

We must not lose sight of the fact that the 2002 Monterrey Conference on Financing for Development, and the follow-up process, were initiated by the international community to forge a new economic consensus in response to the pressing long-term challenges brought about by the rapid period of globalization during the 1990's.

Given the enormity of these challenges the Monterrey Consensus was judged a resounding success. It set a precedent that we must rise up to again this year in Doha. The question we must all now assess - fairly and dispassionately - is how well all Member States have done in meeting their commitments and promises, and how best we can meet the new challenges ahead.

I am sure you will all join me to commend the work of the two Facilitators, Ambassador Maged Abdelaziz of Egypt and Ambassador Johan Lovald of Norway. They have both worked tirelessly, transparently and in cooperation with all Member States, institutional stakeholders, civil society and the private sector, to develop the Doha Draft Outcome Document we have before us today.

Excellencies,

I would now like to provide a flavor of some of the key proposals in the draft that will be debated over the coming weeks. Given the economic circumstances I highlighted at the beginning of my remarks, it is important to recognize that the overall strategic thrust attempts to lay the groundwork for a global debate to create a more relevant international financial architecture. And it also provides some pointers on how to get there.

Our current institutional arrangements were set in place after the end of the Second World War. This was a different era, with a very different set of economic and political challenges. We have all now come to recognize that these structures – including the United Nations - have been overtaken by the growth and complexity of the global economy and the emergence of major new actors.

They can no longer adapt rapidly enough to keep up with the changing times. Not just our growing interdependence, and the rise of emerging economies, but also the disaggregation of national sovereignty - in an era of mass travel, instant communication, 24 hour media, global capital, local community activism and vocal civil societies.

In this context, there have been increasing calls for a new political consensus to better reflect the current and the future trends shaping the economic and political landscape. We need more democracy, more accountability, and a stronger voice for the developing world. And, in order to safeguard economic growth and systemic integrity, we require greater coordination and more inclusive policy responses - because, for the benefits of globalization to be sustained they must be shared by all.

Excellencies, with these challenges in mind the draft reflects the calls made by many Member States during the consultation process and at a special meeting in London on 9-10 June 2008. In London, Commonwealth Heads of Government, called for the establishment of a process to, ‘redefine the purposes and governance of the Bretton Woods Institutions’. To achieve this they launched a global campaigning to build support for an international conference to achieve these goals. Should an international consensus emerge – which I hope it does - it is important that this conference is open to all to participate with equal weight.

Another important proposal contained in the Doha Draft Outcome Document relates to external debt. At Monterrey, Heads of State and Government committed to comprehensively addressing the “debt problems of developing countries, including middle-income countries and countries with economies in transition”. While considerable progress has been made – over one hundred and twenty billion dollars of debt have been wiped off the national accounts of developing countries since 2002 - there is still more work to do to fully live up to this goal.

To this end, many Member States argued cogently during the consultation process that this could be achieved if there were comprehensive institutional arrangements in place to deal with both public and private debt. To take a step to achieve a fairer and more development-friendly debt workout system, the Doha draft outcome document suggests the creation of an ad hoc commission to identify innovative solutions on debt.

The draft also calls for closer international cooperation to combat tax evasion and to enhance cooperation on tax matters. A stable, fair and consistent tax framework in all jurisdictions is critical to global growth when capital can move effortlessly from Beijing to Paris, Buenos Aires and back again at the touch of a button.

Competition among member states to attract foreign investment through tax incentives should not lead to a rush to the bottom of regulatory standards. But even more harmful to economic growth in both developing and developed countries however, are lax legal frameworks and fiscal governance that encourage tax avoidance and evasion. This only serves to transfer resources that could be mobilized for development to wealthy individuals and the private sector.

Valuable cooperation on tax matters is currently undertaken through the OECD. However, its impact would be more effective with broader participation. The draft therefore proposes that the United Nations Committee of Experts on International Cooperation on Tax Matters is upgraded to an intergovernmental body.

Excellencies,

These are just a sample of the many important suggestions to strengthen international cooperation on financing for development contained in the draft outcome document. I encourage you all to give your utmost consideration to all the proposals, including by engaging your economic and finance ministries for advice on many of the technical matters.

Before closing though, I would like to highlight one other important proposal contained in the draft. This reflects the need, expressed by many during the consultation, to agree an inter-governmental follow-up mechanism for the Financing for Development process. We need to ensure that agreed decisions are implemented effectively. This is of critical importance to the credibility of the process. Our decisions must be translated into actions so that global poverty can be eradicated and global economic development becomes more equitable.

This is also why the 62nd session of the General Assembly has had such a strong focus on development. Halting climate change, boosting Financing for Development and achieving the Millennium Development Goals have been and should remain our top priorities. The nexus between these core issues is fundamental to realizing our goal of long-term economic and environmental sustainability. We must champion them at every opportunity! The concept of sustainable development is the mantra that should be embedded in our strategic approach to Doha and the reshaping of the international financial system and institutions.

I would like to close by expressing my hope that over the coming weeks we will continue to engage each-other in the spirit of Monterrey through constructive and inclusive debates on the draft outcome document.

The Doha conference truly provides a unique and timely opportunity to address critical issues on international economic cooperation and development. Together with the MDG Framework, the Monterrey Consensus and its follow-up process provide the only truly, universal partnership, and intergovernmental platform to mobilize the international support necessary to build a better, for equal world for all.

I am confident that you will seize the opportunities ahead with the political energy that the Conference deserves.

I thank you for your kind attention.