

23 March 2010

**Statement of H.E. Mr. Ali Abdussalam Treki,
President of the 64th Session of the General Assembly,
at the High-Level Interactive Dialogue on Financing for Development**

Mr. Secretary-General,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen

I am pleased to welcome all of you to this fourth High-Level Dialogue on Financing for Development.

We are meeting today at a time when the global economy is only slowly and unevenly recovering from a period of immense turmoil. Developing countries in particular continue to pay a heavy price for a world financial and economic crisis, which was not of their making. This meeting provides us with an important opportunity to review and mobilize policy actions towards addressing the challenges facing developing countries, within the framework of the commitments contained in the Monterrey Consensus and Doha Declaration on Financing for Development. I am confident that this Dialogue will make a crucial contribution to the preparations for the High-level Plenary Meeting of the General Assembly on the Millennium Development Goals (MDGs) later this year.

At the outset, the priority facing both developed and developing countries is to ensure a sustainable economic recovery from this crisis. This economic revival is uneven and conditions for sustained growth remain fragile. Growth is expected to remain well below the pre-crisis levels in the developing world. The sharp decline in private capital flows to developing countries as a result of the crisis has undermined their investment and growth potential.

Compounding these decreases are concerns that the current crisis may result in decreases in aid volumes, as has happened during the past. In various international meetings, many developed countries announced their determination not to permit their domestic financing difficulties to reduce their ODA flows. However, this is not enough and there is an urgent need to increase the volume, quality and reliability of aid flows to redress the consequences from the crisis and to meet the internationally agreed development goals, including the MDGs. In this regard, it is imperative that developed countries meet their commitment made in Monterrey Consensus and Doha to make concrete efforts towards the target of 0.7 per cent of GNP for ODA.

The contraction of world trade has also severely impacted on developing countries that depend on export revenue from commodities. In order to further development, it is important for countries to resist protectionist tendencies and to arrive at a successful and development-oriented conclusion to the Doha

Development Round of multilateral trade negotiations. At the same time, the international community must increase resources for Aid for Trade to developing countries to enable them to overcome their structural constraints and enhance their trade competitiveness to recover from the crisis.

The crisis has reversed the progress made in regard to debt relief, within the context of the Heavily Indebted Poor Countries (HIPC) initiative and the Multilateral Debt Relief Initiative. Many developing economies, including those that have benefited from debt relief initiatives, could fall into debt distress due to reduced capital inflows, tightened external financing conditions, lower revenues and additional fiscal pressures arising from currency depreciations and higher interest rates.

Finally, I want to stress that the systemic causes of the present crisis are ultimately based on fundamental weaknesses in global economic governance. While an important starting point is to re-think the regulation and oversight of financial markets, this does not preclude the urgent need for a reform of the major institutions of global economic governance, including an increase in the voice and participation of developing countries. Such a reform is essential if these institutions are to respond to the new challenges of globalization and the realities of the 21st century.

Ladies and gentlemen,

This High-Level Dialogue today and tomorrow is of critical importance in reinforcing and strengthening the foundation for a fairer global economic system. Let us proceed to make this Dialogue a meaningful stepping stone towards eradicating the dehumanizing poverty that blights the lives of so many children, women and men.

Thank you.