

ITALY

Mr. President, Heads of State and Government, Excellencies, Ladies and Gentlemen,

Let me start by joining previous representatives in conveying my profound appreciation to the government and people of Turkey for their excellent organization of the Fourth United Nations Conference on the Least Developed Countries and for their warm hospitality in this historic city of Istanbul, crossroad of cultures.

I would also like to express my great sense of satisfaction that we have been able to reach a much-needed political consensus on the Programme of Action of the Conference. This is very good news for all of us, for the International Community, for all the stakeholders in development and in particular, for all those far too many people whose right to a decent life remains unfulfilled.

In the past ten years since the adoption of the Brussels Programme of Action, the world has changed considerably. The financial crisis of 2008 and the resulting economic downturn hit the Least Developed Countries (LDCs) just as hard, curtailing the effects of what had been the longest growth they had ever experienced in the first half of the decade.

The number of LDCs has nearly doubled since the seventies and only three have graduated in the last thirty years. They now count for some 800 million people, with over half of their population living under the poverty line of 1.25 US dollars a day. In the past decade, their economic growth has not been inclusive and progress towards achieving the MDGs has been slow: according to the six human development indicators by which progress can be

monitored, the LDCs are now where most developing countries were twenty years ago.

Excellencies, Ladies and Gentlemen,

To ensure a resilient growth of the LDCs with a view to achieving the final objective of their graduation, we need, from now on, to be more ambitious and call for a collective and coordinated effort of all the stakeholders. Developing countries, and the LDCs in particular, have to be seen for what they are: centres of future economic growth, part of the solution and not of the problem. Their potential in terms of natural and human resources is enormous: more than half their population is under the age of eighteen. The LDCs can play a leading part in ensuring and stabilising economic growth at the global level. Their role is essential in overcoming demographic and environmental challenges and in ensuring food security.

Mr Chairman,

In the aim of fostering more inclusive development rates for the LDCs, let us concentrate on the way forward.

Financing for development cannot be reduced to a question of the quantity and quality of aid. What is more, the ongoing transformation at the level of global economic governance has led to changes in the international aid and development architecture. Traditional and emerging donors, as well as other public and private stakeholders, must rally together to participate in this endeavor, in the full respect of the principle of democratic ownership. The issue requires a holistic approach, taking the role emerging economies can play into consideration. That is why we welcome the activities of the G20 in the field of development in an overarching context that cannot be limited to south-south cooperation.

Aid may be of significant benefit in the short term, as long as it is geared towards mobilizing domestic resources in line with local conditions.

But all sources of financing for development and economic growth have a contribution to make: domestic resource mobilization, debt relief, innovative financing, remittances, private sector investments.

At the same time, progress in the LDCs must be attained through the advancement of peace and stability, human rights, good governance, better and more equitable economic and financial regulations, while tackling climate change and sponsoring decent employment opportunities and an effective social protection system.

The importance and validity of what was agreed in Monterrey in 2002 and in Doha in 2008 on these issues and with regard to the primary responsibility of developing countries, including the LDCs, for their own development, is today, more than ever, evident to all of us.

Sound and inclusive national strategies should be managed by good quality institutions. Key capacities for development lie with tax administration bodies, which must strengthen tax collection so as to mobilize domestic resources for development purposes, while fighting corruption and capital flight.

Producing reliable statistics and putting them to good use is paramount for national strategies to succeed. For this reason, more efforts should be devoted to enhancing partner countries' statistical capacities: their data collection systems should be made more reliable and donors should utilize them as much as possible. This is why Italy, as of last year, has begun participating in the 'PARIS

2' commitment to improve partners' statistical capacity, in a way fully compatible with their democratic ownership.

Without investments (be they foreign or endogenous), free access to market (local, regional or international) and without an enabling environment to allow small and medium-sized enterprises to foster long term sustainable growth, we risk seeing more and more people fall below the poverty line. This would mean an excruciating defeat for the International Community, for all of us, and at the same time a serious risk for world stability and growth.

Excellencies, Ladies and Gentlemen,

Development as a whole should in fact be more and better integrated in the overall international political and economic agenda. Let us be audacious in shaping the much-needed new consensus on aid and development effectiveness, to which the IV High Level Forum on Aid Effectiveness in Busan will devote part of its work. Development effectiveness, in our view, indeed means that all the policies, relationships, activities and financial flows in and with partner countries have to be geared towards development goals and be effective for those purposes. This should be all the more true for the LDCs.

The economic and financial crisis and the multiple crises of volatile energy and food prices of recent years presented us with new challenges. In the field of price volatility, it is of utmost importance to find ways to mitigate and manage the risks associated with these fluctuations without distorting market behaviour, ultimately to protect the most vulnerable. We are convinced that speculation on raw materials threatens global growth and produces a strongly negative impact on people's lives. Over the past 10 years, there has been a massive input of financial transactions on the commodities market with negative consequences on the price of foodstuffs, which have since reached

their highest level ever, according to the FAO index. I can assure you that the Italian government will continue to give its support to combat this phenomenon especially with regard to the volatility of food prices.

Mr President

Italy has always been aware of the relevance of agriculture and the central role it should play in development aid strategies. That is why food security was a highlight of Italy's presidency of the G8, culminating in the adoption of the L'Aquila Food Security Initiative.

At the III UN Conference on the LDCs in Brussels 10 years ago, we pledged to give duty free and quota free access to all imports coming from LDCs. Italy, as a member state of the European Union, has delivered on this through the 'Everything But Arms' Initiative. Furthermore, last January, EU rules of origin have been updated to make them simpler and more development-friendly.

We are convinced of the positive role the private sector can play in the sustainable development of the LDCs in terms of employment, wealth creation and innovation. That is why we support the effort carried out by the UN Global Compact and UN Framework for business and human rights in areas of economic activity.

We cannot leave creativity out of our common endeavour. Innovative financing is a highly important vehicle and contributes increasingly to raising additional funds. Italy is a founding father of the Advanced Market Commitment (AMC) pilot project against pneumococcal disease, a major cause of infant mortality. My country is also one of the greatest contributors to the International Finance Facility for Immunization (IFFIm) since its inception.

The recent economic and financial crisis also showed us how important migrant remittances are, so already in 2009, at the G8 Summit in L'Aquila, we set the objective to reduce the global average cost of transferring remittances from 10% to 5% within 5 years. If attained, this will increase net income for migrants and their families to the level of approximately 15 billion US dollars yearly.

This would represent a major boost to economic growth and we will work to target this initiative to the advantage of LDCs. We are determined to step up the international effort to attain this objective.

This is why we have co-promoted, together with the World Bank and four other UN Member States, the 9th of May side-event here at the IV Conference in Istanbul, dedicated to the international commitment to reduce the cost of remittances.

Italy has always actively supported the widespread presence in developing countries of Italian civil society organizations, local institutions, universities and private sector.

My government is actively committed to steering in a more systemic way this vast platform of Italian aid.

The EU positions for this meeting, whose adoption we have contributed to and fully sustain, are also a call for more action-oriented solidarity to all our partners and to all the stakeholders in development. Let us join efforts to foster more inclusive growth of the Least Developed Countries in the hope that the Istanbul Programme of action will pave the way for an accelerated pace of their graduation.

Thank you all for your attention.