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STATEMENT  
BY  
SWEDEN

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Mr/Madam President,  
Ladies and Gentlemen

About seven years ago, at the turn of the millennium, the United Nations General Assembly adopted targets – the Millennium Development Goals – to make this world a better place. We are now halfway to 2015. Can we say that we have come halfway in meeting these goals?

My answer would unfortunately be no – as the MDG report released two days ago also shows. Progress is clearly being made but we need to step up the pace, not least in Sub-Saharan Africa. The Monterrey Consensus gives us the basic ingredients for how. I would argue that what we need to do is take the ingredients to heart, and put them into action. Developing countries must take the primary responsibility for poverty reduction and development within their own borders. This cannot, and should not, be done from the outside.

The approach to poverty reduction has to be broad-based – addressing not only one or two but all the different dimensions of poverty. Taking a multidimensional approach to poverty reduction as a point of departure means seeing development as more than just higher income per capita. In short, development is about empowerment: legal, economic, political and social. And it is about working to extend this empowerment to all segments of society.

The crucial word here is coherence. Without a doubt, economic progress is fundamental, but it is only part of the equation. Good governance, democracy, respect for human rights and gender equality must also be part of a comprehensive and coherent agenda for poverty reduction and development. These are indeed ends in themselves, but they are also crucial for fostering long-term and sustainable poverty reduction and growth. Many countries have taken impressive strides towards adopting such an approach, but others still have a long way to go.

The need for coherent policies and action, however, is just as great in high-income countries. This is, of course, not a matter solely, or even primarily, for development ministers. What we do in terms of environmental policies, migration policies, security policies, trade policies and so on has a huge impact on developing countries and their efforts to reduce poverty and promote development. It is therefore important that all different policy areas contribute by pulling in the same direction.

Unfortunately, we are not “putting our money where our mouths are”. It is indeed appalling that we are still keeping in place trade barriers that substantially limit opportunities for developing countries to use trade as a vehicle for growth.

Coherence also means identifying and exploiting synergies. The UN, through the universality of its membership and its position at the heart of the multilateral system, has a central driving role in the work for human development. However, what became evident from the work of the High-Level Panel, and its report “*Delivering as One*”, is that the UN is lacking in coherence, thereby failing the poorest and most vulnerable.

The recommendations for country, regional and headquarter levels remain to be implemented and we are eagerly following the "One UN" work in the pilot countries.

Coherence also goes beyond the UN. Synergies need to be exploited in relation to a number of other actors. In the multilateral system roles and relations between the UN, the Bretton Woods Institutions as well as the regional development banks need to be clarified. While the relations and division of labour are not set in stone, we must not forget that the important thing is not who gets the job done; what is important is making substantial progress towards the MDGs.

The financial needs of developing countries are also changing as new sources and mechanisms of development finance become available. Having choices and access to alternatives is generally a good thing, and we should welcome the fact that for many countries the role and importance of ODA is decreasing.

At the same time, with a number of new emerging donors, increasing numbers of vertical funds, dynamic civil society organisations, and new sources and instruments for financial development assistance, we will have to learn to live with increasing complexity. But that does not have to imply a lack of coordination. A heavy responsibility rests with donors, old and new. We must work for as much coherence and synergy as possible, starting from the identified – and changing – needs of developing countries.

One concrete area where I believe cooperation and coordination can be improved is private sector development. We know that economic growth is a pre-requisite for the reduction of income poverty, and we know that the private sector is a primary driver of economic growth. But is full use made of private sector expertise and capacity? My answer would be no.

What we need is pro-poor private sector development. Poor women and men must be given both the formal and practical ability to engage in productive activities and raise their standard of living. In short, their potential as entrepreneurs must be brought out, and their opportunities to contribute to and share the benefits of growth must be enhanced. The challenge lies in identifying and removing the constraints faced by poor people. It is through the creation of more, and more productive, jobs in the private sector that the income and well-being of poor individuals and families can improve.

On this note, I would like to stress the importance of recognising and promoting the role of women as economic agents and a key to sustainable poverty reduction. From a macro-economic point of view, women are often an “untapped resource”, and they are also disadvantaged in terms of access to productive resources and human capital. There are, therefore, both efficiency and equity reasons for focusing on women as economic agents and potential entrepreneurs, that is, as drivers of PSD.

But we should not only focus on the promotion of private sectors locally in poor countries—globalisation has become a key element in private sector development.

Globalisation makes it possible for information, business, ideas and people to move across borders at an unprecedented rate. This is genuinely positive. It builds relations and reinforces interdependencies between states, people and cultures. Hence, in developing countries there are important roles for foreign companies too. Responsible business practices lead to social and economic inclusion, helping to advance international cooperation, peace and development – a pro-poor development, if you will. This is, of course, beneficial both for businesses and for society as a whole.

In the global marketplace it has become necessary for companies to embed universal principles for how business should be conducted, and this has become crucial for creating more robust and equitable markets. This is where I mean that the potential of the private sector can be further exploited. Corporate Social Responsibility should be business-led and business driven, and based on voluntary commitments. Successful CSR policies, however, are dependent on an enabling environment where governments have a crucial role to play. For instance, businesses, governments and multilateral institutions have together developed a number of tools for companies that operate in weak governance zones or in areas of conflict. The Swedish Government has recently had the OECD's Conflict Awareness Tool translated and it will now be distributed widely. This, I believe, is a good example of how we as governments can support the efforts made by companies.

Let me end where I started, with the MDGs. I still believe it is possible to achieve the MDGs by 2015. But much more needs to be done – and it needs to be done in a coherent way. By working together and pulling in the same direction, we will hopefully be able to answer yes when asked, in seven years time, if we have fulfilled our targets.

Thank you.