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**Statement by
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**before
the General Debate of the
High-level Segment of ECOSOC**

New York, 30 June 2005

Mr. President,
Honorable Ministers,
Distinguished delegates,

Allow me to join the previous speakers in extending our appreciation to the Secretary-General for providing us with a very comprehensive report pertaining to the challenges and opportunities for the internationally-agreed development goals as well as major United Nations conferences and summits. I also align my statement with the Honourable Delano Franklyn, Minister of State of Jamaica on behalf of the Group of 77 and China.

The Millennium Development Goals are simple but powerful objectives that have galvanized our efforts to meet the needs of the poor, becoming globally accepted benchmarks that have been agreed to by developing countries, donors, international organizations and civil society. However, we should not look at the MDGs as the ultimate end in development but rather a mid-station to ending absolute poverty. Therefore, while not losing sight of the need for continued development cooperation beyond 2015, in the interim it is important to focus our attention on accomplishment of the MDGs. Allow me for that reason to very briefly touch upon Indonesia's progress on the MDGs.

Mr. President.

Despite the burden of our past financial crises, which is still lingering our economy and budget, Indonesia is considered to be one of the countries to be "on track". Indonesia's national policy objective accommodates the full implementation of the MDGs and has even set more ambitious poverty reduction targets to be achieved in the next five years.

However, several pockets of poverty in some parts of Indonesia still remain a challenge for us. Furthermore, Indonesia is situated on a hazard belt making the whole country vulnerable to natural disasters. As the Secretary-General's report pointed out, over the last decade, global natural disasters have led to economic losses estimated at 88 billion US dollars, and unless capabilities are enhanced to implement a systematic worldwide early warning system for all types of natural hazards, disasters will become an increasingly serious obstacle to the achievement of the MDGs as well as the wider development agenda. Indonesia particularly supports the Secretary-General's recommendation to build on existing national and regional capabilities.

Indonesia is making every effort to achieve the social-related targets namely reducing the under five child mortality rate, maternal mortality and combating HIV/AIDS, malaria and other diseases as well as the environmental sustainability targets, namely improving access to safe drinking water, basic sanitation and quality housing and rehabilitation on environmental degradation. These are being done by creating a better fiscal space through reducing ill-targeted fuel subsidy and lowering debt exposure. The

need to maintain macro-stability through adopting prudent fiscal policy has created a tight constraint for government spending on MDG-related programs. We certainly need to mobilize greater resources, especially by intensifying tax revenue. But those will not achieve immediate results in terms of resource availability. Therefore, the role of international aid is still important. International support and cooperation through partnership as embodied in Goal 8 of the MDGs is indispensable and not a substitute for domestic efforts to mobilize resources.

The full realization of Goal 8 is enactment of measures by global partners to ensure a greater chance for developing countries to meet the MDGs. In this regard, greater predictability of ODA commitments through timetables is an encouraging step in the right direction. Indonesia appreciates the timetables set by the European Union and other developed countries to fulfill their 0.7% ODA commitment. Indonesia is appealing other developed countries to follow suit.

For countries facing beyond sustainable levels of debt, the recent move by the G-8 to grant debt cancellation is commendable. Indonesia welcomes the decision of the G-8 to provide 100 percent debt cancellation for some of the Heavily Indebted Poor Countries (HIPC). This movement should not stop to only HIPC countries, we also welcome efforts to resolve the debt problems of middle-income developing countries through debt restructuring, which includes, among others, longer-term payments of loans or a longer grace period of new loans.

In line with this effort, Indonesia supports the debt swap for sustainable development which provides low and middle-income countries a more incentive and resources to achieve MDGs, including through the "MDGs-debt swaps". It is an adaptation of the existing debt-swap mechanism by linking debt relief to the achievement of MDGs, particularly Goal 1 to 7. We note that many developing countries have already been implementing debt swaps in specific sectors, such as debt-to-nature swaps which then could be extended easily to debt-to-MDG swap. It would also be mutually beneficial to both developed and developing countries, in terms of relieving the debt of developing countries while, at the same time, benefitting developed countries by changing the orientation of financing for development.

I would like to emphasize here that trade and investment should continue to be recognized as avenues for the attainment of the MDGs as growth and employment are a necessary condition to eradicate poverty. Indonesia has made effort and call for greater investment to be directed to infrastructure development, which is only possible when greater fiscal space has been made available.

Again, the consistent message in this context is the importance of cooperation between domestic efforts to mobilize more resources, to spend the limited resources wisely and effectively, and have international support at the right time; with adequate resources and appropriate and smart modalities.

Indonesia is also of the view that South-South cooperation has an important role in the overall context of multilateralism and must therefore have a prominent place in the Outcome Document of the High-Level Plenary Meeting in September. South-South cooperation has a valuable contribution to development and is a vital process to help the South confront the challenges of globalization with regional initiatives such as the New Asian African Strategic Partnership serving as an important building block in furthering South-South cooperation.

On the issue of the United Nations role, we should not lose sight of the fact that many decisions affecting the world economy are still taken outside the multilateral framework of the UN system often times not including the interests of developing countries. Hence, effective participation of developing countries in the global decision-making process and norm setting should also be enhanced. There have been certain measures to address this matter, including the Spring meeting of ECOSOC with the Bretton Woods Institutions.

Greater coordination between the UN and other international organizations would certainly contribute to greater coherence among policies made in the UN and international organizations, particularly in further developing an open, rule based, predictable, non-discriminatory trading and financial system. The most important result of better coordination and coherence among international organizations would be in the form of lessening the burden of developing countries to become the real equal partner in development.

Mr. President.

Finally, I would like to take this opportunity to inform the meeting that Indonesia will be organizing a ministerial regional meeting on "The Challenges of Asia and the Pacific countries in achieving the MDGs in 2015 and Beyond" in Jakarta, on 3-5 August 2005. The Asia-Pacific region as you know is a diverse region and there are growing economic disparities among and within countries. The region has a wide range of performers in terms of the MDGs. The most challenging issue confronted by most of the countries in the region is financing for development.

Against this backdrop, the Jakarta ministerial regional meeting aims to consolidate the region's perspective on a way forward and we hope to bring this to light during the High-Level Plenary Meeting in September.

Thank you.