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for the International Conference on Financing for Development**

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Mr. President,

I would like to thank you for this opportunity to speak to the General Assembly. My compliments to you and to Ambassadors Abdelaziz and Løvald, for so expertly guiding the preparation process and presenting such an excellent draft outcome document.

I would like also to thank the Secretary-General for the confidence placed in Minister Manuel and me in appointing us as **Special Envoys**. Financing for development is indeed one of the most important issues on the international agenda in 2008.

## **The spirit of Monterrey – a global partnership**

The 2002 **Monterrey Consensus** was a groundbreaking paper, a milestone on the road towards a new and equal partnership that allows all people to enjoy a life in dignity. At the time, what drove us was a spirit of shared purpose and partnership.

Strengthening this global partnership in a situation characterised by continuing globalisation and new challenges will be the task for Doha. One important step has already been taken in Accra.

## **Light and shade**

As we pass the **half-way mark on the road to the MDGs**, the picture is a **mixed** one – with light and shade, successes and disappointments. There are fewer poor people now than there were at the turn of the millennium. Debt relief has also been a resounding success: the HIPC and MDRI initiatives alone have freed up so much funding that 29 million more African children are now able to go to school.

And yet, still, almost 10 million children do not live to see their fifth birthday. Maternal mortality is still far too high – each year 500,000 women die during or after labour.

We are still a long way from eliminating gender discrimination – although we know that gender equality has positive impacts, particularly on a country's development.

The new millennium has confronted us with **new global challenges**, events that pose a threat to development achievements and human lives. The food crisis has once again brought home to us that hunger is far from being a thing of the past in our world. At the same time, commodity prices are rising. I am greatly concerned that, in 2008, the LDCs alone will have to spend an extra 50 billion US dollars on oil – that is

far more than the total amount they receive in official development aid (ODA was 28 billion US dollars in 2006).

**Climate change** is an ever-present phenomenon. It is deeply unfair but a fact that the developing countries – who are the least to blame for climate change – are suffering most. We need to close this justice gap. Dramatic changes in the climate, soaring food prices, rising commodity prices – all these things have a disproportionate affect on the poorest of the poor. And they make it even harder to achieve the MDGs. We need additional efforts, new ideas and cooperation models – business as usual will not be appropriate by a long way.

#### **From Monterrey to Accra and then to Doha – what we need to achieve**

So the financing for development agenda is more important than ever. 2008 is the year in which we must achieve a breakthrough. That means further strengthening our partnership. And the bedrock of partnership and trust is reliability. And so it goes without saying that the industrialised countries must deliver on their **ODA commitments**. The EU's ODA timetable is binding and must be adhered to – that means increasing ODA to 0.56% of gross national income by 2010 and 0.7% by 2015. The G8's commitment to double aid for **Africa**, increasing it by 25 billion US dollars by 2010, is of paramount importance. Because Africa is the continent where it is proving the hardest to achieve the MDGs. And yet it is also a continent of the future that has long established itself as an important player in world politics and the global economy. Investing in Africa's future is worthwhile.

But it is not just a matter of increasing the quantity of financing for development – the **quality of our cooperation** is also an important consideration. Last week we adopted the Accra Agenda for Action – a breakthrough for more transparency, own-

ership and mutual accountability and an outstanding outcome for modern development cooperation. And, for me, one particularly important aspect of the Accra conference was that many civil society organisations joined us round the table. We must also ensure broad participation by civil society and the private sector for Doha.

If we are to finance the MDGs, we must **use all available sources** of funding and link them up effectively. This of course applies most especially to private sector support. The African continent in particular has chalked up impressive rates of economic growth in recent years (averages of 5% and more), but the share of foreign direct investment flowing into Africa is still too small. We must work to change this and also to foster an attractive private sector environment in partner countries!

There is still a need for a **functioning multilateral trade system**. The collapse of the WTO discussions is shameful and goes against everything decided at Monterrey. I firmly believe that developing countries need to be more involved in international trade and to participate in a more just fashion, and that we must at least deliver on the promises made in Hong Kong: we must grant the poorest developing countries tariff- and quota-free market access whilst at the same time abolishing export subsidies for agricultural products and cotton. And the industrialised countries must also meet their commitments with regard to Aid for Trade. In addition to that, however, we should be pursuing new avenues: one particularly attractive and innovative financing instrument for development is using **revenues from the auctioning of emissions allowances**. Climate protection and development are inseparably linked – and require additional funding. By auctioning emissions allowances we can address emissions at the point of origin. So we are using market mechanisms to get at the root of the problem. And what could be more obvious and just than for the funds from emis-

sions trading to be channelled to the people who urgently need them in order to tackle climate change?!

Germany has made a start. This year, we are already investing 120 million euros from emissions trading in climate projects in developing countries. In 2009, that figure will be 230 million euros. These funds are set to increase and I call on all industrialised countries to make use of this instrument.

The **food crisis** has mobilised a great deal of international solidarity. The world has been pulling together. However, I call on the oil-exporting countries in particular to spend some of their excess profits on development. Just think about how the International Fund for Agricultural Development (IFAD) was founded in 1976 – we were successful then in mitigating the impact of the oil crisis on agriculture in developing countries. Now we should establish an **agro-facility** into which part of these excess profits could be channelled. This would benefit rural development in the developing countries, while at the same time generating good results for the investors.

Urgent action is needed on **taxes** too. Tax avoidance and tax flight are costing developing countries an estimated 500 billion US dollars a year in lost revenues – which is, incidentally, the same amount as is being lost in industrialised countries. That is five times total worldwide official development aid, a massive misdirection of funds that can in no way generally be considered desirable.

I would therefore like to advocate the launch of a **Global Compact to Fight Tax Flight and Evasion** in Doha. Because we need effective, fair tax and customs systems in developing countries that prevent tax flight. We need capacity building on tax and customs issues. All UN countries should make a binding commitment to make tax flight an offence and to prosecute those concerned. For a Global Compact of the

kind I am suggesting, we need the support of governments, businesses and civil society.

All the figures and ideas available show that **financing for development can be multiplied** – the world needs these funds. I firmly believe that, if we boldly address the financing issues, we can achieve all the Millennium Development Goals – in Africa, as elsewhere, and including those goals that are currently in jeopardy.

That is why I ask you to devote your undivided attention to the Doha conference. The goals of the Doha conference deserve broad, high-level support. If our **combined political will** is strong enough then we can make our shared vision of development, justice and peace a reality. **Doha should become as much of a milestone as Monterrey!**

Thank you!