



AUSTRALIA



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UN GENERAL ASSEMBLY

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**Statement by Mr Kelvin Thomson MP
Member of the Parliament of Australia**

Check Against Delivery

Mr President

Nearly ten years on from the Monterrey Consensus, the international community faces the prospect of another major economic downturn. This will reverse hard-won development gains and once again erase the hopes of hundreds of millions of their chance to escape the cruel cycle of poverty. It is a sobering reminder of the urgency of institutional and policy reforms to increase financial flows for development.

We know that development requires increased aid investments. This is why Australia has doubled the size of its aid program in the five years to 2010, and we will double it again to over \$9 billion by 2015. We are one of only a few countries with an increasing aid budget.

But fostering development also requires fair policies in areas such as trade, agriculture, climate change and environment.

Mr President

The international community must step up its efforts to finance growth-stimulating sectors in developing countries. Traditional development aid provides around \$120 billion each year, but more than \$1.5 trillion of financial assets around the world. We must use public finance to leverage a much larger quantum of private capital for development. If we are to meet the deficit in investments in developing countries, it is also vital to look at the potential of innovative mechanisms, including 'pull mechanisms', where donors stimulate demand for new technologies.

We must build on the experience of innovative financing models, including the Global Alliance for Vaccines and Immunisation (GAVI) and Global Partnership for Education, to mobilise finance for development.

And we must ensure the worthy steps outlined in recent initiatives, such as the G20 Action Plan for Growth and Jobs, are implemented in a timely manner. Australia has been active in advancing aspects of the G20 development agenda on growth and resilience in close partnership with Indonesia and Italy. The measures will have far-reaching benefits for developing countries. We have set a new target to reduce the cost of global remittances which is estimated to have the potential to generate an additional \$15 billion per year for recipient populations, and protect the poorest in times of global crisis through social protection mechanisms.

As a leader in the mining industry, Australia will share its expertise and experience to assist resource-rich developing countries to maximise the benefits of mining, in a sustainable way. This will be supported by our new \$127 million Mining for Development Initiative for developing countries. In partnership with the IMF, we are also assisting up to 40 African countries in areas such as tax policy and revenue administration. This is assistance that helps to build sustainability and prosperity for the future.

Collectively we must pursue trade liberalisation and reform of the international financial institutions to make them globally representative and responsive. We call on other Member States to join Australia in providing duty-free, quota-free market access for all LDC exports. And we urge the WTO and Member States to continue to pursue ambitious results in the WTO Doha Development Round. It is clear that the existing pathway to global trade has reached a deadlock. Progress should be possible if we divide the Doha agenda into manageable parts and agree on the actions needed under each of the components.

Of course market access improvements need to be complemented by strengthened "aid for trade" efforts to address major supply-side constraints faced by developing countries. This means increasing investments in private and public sector capabilities, and transport, energy and communications infrastructure. We must also do more to support employment creation in developing countries, particularly for women and young people, and agricultural development.

Australia is increasing assistance to the Least Developed Countries in line with the specific goals and needs outlined in the 2011 Istanbul Programme of Action. Our endorsement of the New Deal for International Engagement in Fragile States in Busan affirms our support for fragile and conflict-affected countries as they seek to make the most efficient use of domestic and international resources available for development.

We will also continue to assist small island developing states as they face specific vulnerabilities, including through our fast-start climate change financing support which totals nearly \$600 million. Australia and Pakistan have been making an important contribution to climate finance for the future as vice-chairs of the Transitional Committee for the design of the new Green Climate Fund.

Now is not the time for donors to pull back from our financing for development commitments. It is a time for decisive action and innovation. It is a time for genuine global partnership.

Thank you.