



PEOPLE'S REPUBLIC OF CHINA  
MISSION TO THE UNITED NATIONS

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Translation

**Statement by Ambassador Wang Min at the Fifth GA High-Level  
Dialogue on Financing for Development**

7 December 2011, New York

Mr. President,

China supports the statement made by Argentina on behalf of G77 and China.

Mr. President,

The Monterrey Consensus and the Doha Declaration on Financing for Development are important international instruments on financing for development and constitute a comprehensive framework for efforts in this field. However, nearly ten years have elapsed but the wonderful blueprint envisaged by the Monterrey Consensus is yet to be translated into reality; the ODA from the developed countries falls far short of the set target; and a large number of developing countries, LDCs in particular, are still constrained by a lack of resources for development and deterioration of the environment for development. What's even more worrying is that some major economies are experiencing a drop in economic growth rate, some countries are facing severe sovereign debt problems, the international financial market is excessively volatile, protectionism in all its forms is getting rampant. The world economic recovery is fraught with instability and uncertainty and faced with increasing risks and challenges. Factors like the spillover effect of the debt crisis of the developed countries, the fluctuation in international bulk commodity prices and climate change have further hampered the efforts of the developing countries to achieve the MDGs and sustainable development.

Against such a backdrop, the convening of this High-level Dialogue is of even greater relevance. The UN, as the most representative and authoritative international organization, should all the more continue to play a leading role in the field of financing for development. We hope that all parties will take advantage of the opportunity provided by this Dialogue, overcome differences and difficulties and demonstrate vision and good will in an attempt to solve the problems in financing for development. To this end, China proposes that the international community should focus its work in the following areas:

First, make concerted efforts for an early achievement of strong, sustained and balanced growth of the world economy. The recovery and growth of the world economy is an important means to promote development. Especially in the current situation where the world economy faces severe risks and the market is beset with volatility, ensuring growth and promoting stability should be the top priority for the international community. Countries should strengthen macro-economic policy coordination. The developed countries in particular should adopt responsible fiscal and monetary policies, properly address their debt problem, maintain the safe and stable operation of market investment and refrain from trade protectionism. The developing countries should promote growth through comprehensive policies and measures to mobilize domestic resources for its own development.

Second, gather political will to continue to push for the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development. ODA is essential to the developing countries, LDCs in particular; and the financial crisis should not be used as an excuse for the developed countries to shirk their obligation of development assistance. At this difficult time, the developed countries are called more than ever before to show good will and honor their commitments by providing the developing countries with adequate, stable and predictable resources. The international financial institutions should intensify its efforts for the coherent mobilization of all sources of financing for development. China is in favor of strengthening the follow-up mechanism of the Monterrey Conference on Financing for Development and calls for urgent implementation of the Monterrey Consensus.

Third, enhance global economic governance to create a favorable external environment for the development of the developing countries. The financial crisis has driven home the necessity for reform of the international financial system to further increase the representation and voice of the developing countries in global economic governance. Countries should reject protectionism in trade and investment and vigorously push the Doha negotiations forward with a view to establishing an equitable, rational and non-discriminatory international trade system. The international community should also facilitate the establishment of more rational and transparent pricing and regulation mechanisms for bulk commodities, and strengthen supervision and combat speculation in an effort to guarantee global energy and food security, especially to satisfy the energy and food needs of the developing countries.

Fourth, explore ways of innovative financing while maintaining the ODA as the main channel. Innovative financing opens a new horizon for multiplying channels of financing for development. However, there are still many issues that need to be clarified, particularly the following principles: ODA, as an important basis for international cooperation for development, represents the major source of financing for the development of many developing countries; innovative financing provides the developing countries with additional resources but is not a substitute for ODA; innovative financing mechanism should be based on the voluntary principle and the national conditions and development priorities of the recipient countries should be respected and their ownership and policy space ensured; the relationship between innovative financing and ODA should be further clarified so as to avoid counting the former as part of the latter; and the

procedure for applying for and using innovative financing should be simplified so that the developing countries won't be subject to extra burden.

Fifth, aid effectiveness should be based on the adequacy of funds and global development partnership must not be confused with South-South cooperation. China believes that the key to enhancing aid effectiveness is to ensure adequate development assistance funds. Absence of it, any discussion on aid effectiveness would be tantamount to putting the cart before the horse or building a pavilion in the thin air. China attaches importance to aid effectiveness, associates itself with the fundamental principles contained in the Paris Declaration and is ready to further discuss this issue with others. However, the Paris Declaration mainly applies to North-South cooperation and should not be extended to South-South cooperation. China also wishes to emphasize that as a cooperation in which "the poor help the poor", South-South cooperation is a complement to, not a substitute for North-South cooperation. The developing countries should not assume the development assistance obligations that are the due of the developed countries.

Mr. President,

As a developing country, China's per capita GDP equals only about one tenth of that of the developed countries, and there are still 150 million Chinese people living under the poverty line defined by the UN. In its path to development, China is still faced with immense difficulties. China regards development as a top priority and while working hard for its own development, has been doing its best to provide assistance to other developing countries under the South-South cooperation framework. In recent years, China announced a series of initiatives to help other developing countries improve people's livelihood and reduce debt burden, and to strengthen cooperation with other developing countries in financial, economic, trade and agricultural areas and in human resources training. Those initiatives are now being implemented step by step. In order to help the African countries cope with this year's serious drought and food crisis rarely seen in history, the Chinese government has announced the emergency food relief worth of 533.2 million RMB yuan to the affected countries. Not long ago, at the 6<sup>th</sup> G20 Summit, President Hu Jintao announced that under the South-South cooperation framework, China would grant zero-tariff treatment to 97% of tariff items of exports to China from the LDCs which have diplomatic relations with China. Looking ahead, China is ready to continue to work under the South-South cooperation framework, actively participate in the international financing for development process, promote the full implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development and contribute to the international cooperation for development.

Thank you, Mr. President.