

Final Version



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Statement

by

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at the

**Second Committee
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on

**Agenda item 52:
Follow-up to and implementation of the outcome of the International
Conference on Financing for Development**

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It is a pleasure yet again to be able to address the Second Committee and this time on the follow-up and implementation of the outcome of the International Conference on Financing for Development, a subject of tremendous interest to the Least Developed Countries (LDCs), still struggling to overcome multiple handicaps. The Secretary-General's report on the subject (A/61/253) provides a host of useful information and insights on recent developments, and indeed highlights the plight of the LDCs relative to the obstacles and needs faced by other developing countries.

The Least Developed Countries have actively continued to strive to improve their lot. The just-concluded mid-term comprehensive global review of the Brussels Programme of Action for the LDCs sheds ample light on their achievements, as well as where more needs to be done. In the recent past, the development discussion has increasingly addressed the problems of the most vulnerable groups of countries, including those of the Landlocked Developing Countries and Small Island Developing States.

Improvements in the trends in ODA and debt cancellation are noteworthy. Yet, we all know that given the current trends LDCs are unlikely to achieve the objectives, goals and targets agreed upon by the international community in the Brussels Programme. Therefore, the quest for adequate and predictable external resources for their economic and social development continues for the LDCs. The LDCs have been making considerable efforts in mobilizing domestic resources, but as you all recognize, there seems to be universal agreement that notwithstanding their best efforts in policy reforms and quality of governance, the LDCs need special support because they cannot meet their basic investment needs from domestic resources alone. As mentioned in the report before us, fortunately, the Least Developed Countries, specially the heavily indebted ones, remained net recipients of resource transfers at a time when net outward transfers has been the case during the last decade. Notwithstanding that, the least developed countries continued to receive only relatively marginal sums of FDI, amounting to less than five per cent of all such flows to developing countries in 2005, that too concentrated in few LDCs.

Here I would like to mention about the increasing attention being given to the development financing role of migrants' remittances. We should not underestimate the positive

development impact of migrants' remittances that constitute a significant share of GDP in a good number of LDCs and thus contributing to poverty reduction at the household, community and national levels. But remittances are no substitute for increased aid and FDI. External sources of financing for development remain ever crucial.

In the area of official development assistance there have been some positive developments, as the decline in the GNI percentage and total quantum of ODA has seen a reversal. Of course, much more needs to be done to reach the internationally agreed goals and targets. As I mentioned yesterday in this Committee, we welcome the specific commitments made by a number of development partners to reach the agreed upon targets by establishing certain time frames. In this context, it is important that this envisaged increase in ODA has a built-in component of the Brussels target for LDCs to the tune of 0.15 to 0.20 percent. The Secretary-General's report also calls on the donors to direct ODA principally to the poorest and the least developed.

One area that should continue to get increased attention is the initiatives beyond the traditional mechanisms of development assistance - those new and innovative sources of financing that bring in additionality of resources, popular participation as well as continuing and possibly ever-increasing flow of resources. Initiative for surcharge on air travel tickets instituted by thirteen countries in March this year, which I welcomed with appreciation at the time of its launch as a landmark agreement that demonstrated the power of both partnerships and innovation in responding to the critical developments needs of the weakest countries that lack the resources to improve the human condition of their people, should be expanded to include other countries. It should also be followed by other new initiatives. During the July substantive session of ECOSOC in Geneva, I had suggested that, given the steep rise in oil revenues since the adoption of the Brussels Programme, another potential opportunity to generate much needed resources for the LDCs, could be the decision by major oil-producing countries to contribute ten cents per barrel produced. in particular for their infrastructure developments in the next ten years, Let me conclude by reiterating that appeal here at the level of the General assembly.
