



**Republic of Indonesia**

**Statement**

**by**

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**At the International Conference on Financing for Development to  
Review the Monterrey Consensus**

**30 November 2008  
Doha, Qatar**

**Please Check Against Delivery**

Mr. President,

It is a pleasure for me to be here and first of all, I should like to express Indonesia's appreciation to the Government and people of Qatar for the warm hospitality and the excellent arrangements that has been made for this important conference.

On this occasion, I would like to express our deep sympathy and condolence to the Government and especially people of India for the tragedy that happened in Mumbai.

This conference is taking place at a time of crises which have created several challenges for development financing. Over the next few days, we must resolve to chart a path to overcome these challenges. This will ensure the wheel of development continues to rotate and support efforts to meet our international development goals, securing a better future for the people we serve.

Mr. President,

The world has changed considerably since the Monterrey Consensus. We are increasingly being shown that globalization does not only facilitate growth and development but it has also increased financial and economic instability tremendously at all levels.

This instability has manifested itself in the various crises we have gone through recently. From the recent energy and food crises, to the financial crisis we are in today. Underlying all of these is the real and imminent threat of climate change.

Like being in a quicksand, this requires that we continuously respond and adapt our approach to development and financing for development. Failing this, we will simply sink to the bottom.

Mr. President,

Facing increasing global instability, the review of the Monterrey Consensus on financing for development must contribute to strengthening our financial and economic system at the global and national levels. This will provide a sound and strong foundation for us to mobilize resources to finance development.

Indonesia's view is that achieving a sound and strong global financial and economic system is conducive to financing for development. We believe this requires a three-pronged approach. **First, we need to expedite reform of the global financial and economic architecture.**

What the global financial crisis has done is to expose the shortcomings of the current international financial architecture. The need for greater stability and equity of the global financial and economic system has been made emphatically clear. The key to the reform, in our view, is the enhancement of global surveillance capacities, as recommended by the Monterrey Consensus. We must make the global financial and economic system able to meet new challenges and demands. Our conviction is that a well-supervised system controlled by better regulations will prevent large-scale instability in the future.

But in carrying out the necessary comprehensive reform, which must include the Bretton Woods system, due emphasis should be given to development as our common platform. In this context, we welcome the effort of the G20 to initiate the reform process, however we wish to stress the need for the United Nations with its universal membership to take a leadership role.

Second, we need to strengthen global partnership on financing for development. In time of crisis, we should not distract our focus from development issues such as poverty, energy and food security, as well as climate change. It is important that we reinvigorate global partnership for development as well as creating conducive international environment.

Many developing countries have undergone the necessary domestic reforms, often internationally prescribed, to enhance the mobilization of resources for development. However despite their efforts, developing countries have continued to suffer from development funding insufficiencies.

Against this background there must be a renewed global partnership to create an enabling international environment that can facilitate continued mobilization of domestic and international resources, enhance international financial and technical cooperation, as well as address external debt and known systemic difficulties. Without these arrangements, the international environment will not yield development resources.

Another integral part of an enabling international environment is trade. Indonesia is encouraged to see that international trade, particularly among developing countries, has expanded considerably. But the possibility of a global recession, resulting from the current crisis, threatens to put a brake on these developments. At this point, the only conceivable antidote for this is the realization of a genuine Doha Development Round. The responsibility for delivering such an outcome rests with all Members, primarily the major economic players.

Thirdly, national level actions remain the corner stone to successfully mobilizing resources for development. It is important for each country to continue to implement the necessary macroeconomic, fiscal, and development policies that will inspire the confidence of the business sector and engender support for the continued growth of the real economy.

Because of the current global financial climate, many may be tempted to resort to protectionist policies. But it is important that we refrain from such an approach or from turning inwards during these times of financial uncertainty, even though independent policy space for developing countries remains an important necessity. Such space is important because developing countries must address the particular circumstances affecting the needs of their poor.

Mr. President,

The notion of developing countries going it alone can be discounted based on the serious financial constraints that affect their development processes. Even with domestic mobilization of resources, many developing countries particularly LDCs have continued to suffer from insufficient resources for development. To this end, ODA and FDI must be treated as indispensable for economic growth in developing countries.

In this vein, we are encouraged to see there has been, in real terms, an overall increase in ODA since the Monterrey Consensus. The current crisis must not be allowed to hinder this steady flow. Donor countries must keep their existing commitment to ensure that the crisis will not jeopardize the development achievement of developing countries. In this context, we strongly endorse the establishment of timetables by donor countries to fulfill their commitment of 0.7 percent of their GNP as official development assistance. To achieve the effectiveness of aid in support of development, we strongly endorse the implementation of the Paris Declaration on Aid Effectiveness as well as the Accra Agenda for Actions.

In addition, we draw attention to the threat posed by climate change, its likely effects on global development and the need for developing countries to finance measures to counteract those effects. In keeping with the principle of global partnership, additional external financial resource and technological support must be provided to developing countries to overcome climate-related development challenges. This has to become an unwritten aspect of the Monterrey Consensus.

Finally, let me state that Indonesia is fully committed to ensuring the successful implementation of the Monterrey Consensus. We firmly believe that the Monterrey Consensus remains a great vision for economic and financial cooperation. It is just as relevant today as it was six years ago. Its full and effective implementation is therefore imperative as we strive to achieve the Millennium Development Goals.

Thank you