



**Statement by His Excellency Muhammad
Asghar Afridi, Ambassador of Islamic
Republic of Pakistan
at Follow-up International Conference on
Financing for Development to Review
the Implementation of the
Monterrey Consensus**

(Doha, Qatar, 01 December, 2008)

Mr. Chairman,

I am very pleased to represent Pakistan at this important Review Conference and to also renew the deep bonds of close and fraternal ties between our two peoples and Governments.

2. We congratulate the government and brotherly people of Qatar for the outstanding arrangements made for the Follow-up Conference and thank them for the gracious hospitality extended to my delegation and me during our stay here in Doha.

3. Doha has the singular distinction of hosting the Third WTO Ministerial meeting in 2001, marking the launch of the Doha Development Agenda; the Second South Summit in 2005 encapsulating the development aspirations of the developing world; the Review of the Monterrey Consensus now in 2008 ; and the UNCTAD XIII to be held in 2012.

4. By hosting these important global events, Doha has rightfully and well deservedly earned our respect and affection as the development capital of the world.

Mr. Chairman,

5. This Review Conference assumes special significance and urgency as we meet at a truly unprecedented and extraordinary time on account of a number of reasons, namely:

One, the world is in the throes of a development emergency triggered by multiple crises of finance, food and energy and a looming global recession.

Two, we now know that poverty has been more widespread than previously estimated and that this number is going up rapidly.

Three, the global crises threaten to further squeeze the already limited and extremely inadequate financing flows to the developing countries. Thus seriously undermining the efforts of developing countries like Pakistan to achieve sustained economic growth and sustainable development.

Four, the threats posed by changing climate aggravates the challenge further particularly for those who are most vulnerable to it including Pakistan.

Five, continuing impasse in the WTO Doha trade negotiations and the non-fulfillment of its development dimensions.

Six, a stringent global IPR regime restricting access to and transfer of technology to the developing countries.

Seven, declining global ODA flows now for the second consecutive year.

Eight, exclusion of developing countries from international economic governance and decision making and an increased tendency to decide on issues of global concern in limited membership forums and select gatherings outside the UN framework.

Mr. Chairman,

6. The Monterrey Consensus, inspired by the East Asian Financial Crisis, offered the promise and hope of a world committed to a new and vigorous partnership geared to meet the challenges of development in a globalized world.

7. Our review now at Doha of the commitments made in Monterrey confirms the existence of serious deficit in the implementation of those commitments. Some of the more notable areas in this regard are: the continuing decline in ODA flows now for the second consecutive year; long-standing distortions in the global trading

regime despite the development promises made in Doha; and the continued exclusion of the low-income countries from the global economic governance and decision making.

Mr. Chairman,

8. In the present global economic milieu, the world desperately needs to rekindle the Monterrey spirit and recommit to a genuine global partnership for development. A partnership that is rooted in the belief that as humanity— our destiny is interwoven, and that peace and development are inseparable and is premised on mutual trust and common pursuit of agreed goals.

9. Let us avail of this opportunity to give a clear call for political action encompassing following short, medium and long-term measures.

10. In the short term, it is imperative to carry out a quick and comprehensive evaluation of the impact of the present crises on the implementation of the financing and other development commitments made.

11. The Bretton Woods Institutions should work closely with the United Nations to facilitate such a review and to inventorize the needs of the countries hit particularly hard by the present crisis on an emergency basis.

12. To this end, special instruments must be launched by IMF if not already in place, to assist those countries. Such assistance, we believe, should be grant based and conditionality free.

Mr. Chairman,

13. To navigate through this age of economic turbulence, the world also urgently needs to unleash the potential of trade as a powerful engine of economic growth and development. A point also duly emphasized and acknowledged by Mr. Pascal Lamy in his statement yesterday.

14. Unfortunately, the breakdown in the Doha Round of Trade Negotiations robs us of this opportunity to use trade as a vehicle for stimulating consumption, production and promoting employment - the essentials to pull the world away from going further deeper into recession.

Mr. Chairman,

15. We cannot overemphasize the importance of breaking the impasse in the WTO trade negotiations in order to steer the world out of these crises in a sustainable and permanent way.

16. From Pakistan's perspective, as a low-income country, a fair, equitable, and development oriented global trading system should focus on three over-arching issues; first, improved market access and terms of trade for the low income country exports. Second, improving their supply side competitiveness. Third, allowing them Special and differential treatment.

Mr. Chairman,

17. In this resource constrained and knowledge driven world, easy access to and transfer of technology is the other source of hope for building requisite capacities

in the developing world to effectively pursue their development goals and strategies through these difficult times.

18. In this regard, International community must agree on how access to and transfer of technology, can be best secured by the developing countries, including through steps to overcome the constraints of the global IPR regime. This, we believe, should be an important and prominent part of the post-Doha Financing for Development Agenda.

19. A new urgency and fresh impetus is also required in our efforts to combat climate change. We need to redouble our efforts to reach early conclusion on the effective implementation of the Bali Plan of Action as well as previous commitments of developed countries on Carbon emissions, finance and technology transfer.

Mr. Chairman,

20. In the wider context, the world needs a more inclusive, broad-based and strategic discussion to develop a holistic and integrated approach to deal with the whole range of crises confronting the world today. Such new approach to Multilateralism, we believe, would emerge only if the process of dialogue is inclusive, transparent and UN centric.

21. We, therefore, believe that instead of relying on exclusive forums of the select few, it is time for the UN to take the lead in promoting a truly global and inclusive dialogue to find durable and development friendly solutions to the challenges we face today.

22. In this regard, Pakistan fully supports the idea of convening a major international conference under the UN auspices to look at the whole range of issues including on the global economic and financial architecture in collaboration with the BWIs.

23. A few other important steps that we need to take to put the developing countries on a fast development trajectory are as follows:

- Ensuring net inflow of immediately usable resources for development through real, immediate and conditionality free concessional financing.
- Recognizing full ownership and leadership of the developing countries of their national development processes, policies and plans.
- Intensifying efforts to promote Foreign Direct Investments in developing countries including in infrastructure development particularly in agriculture infrastructure for the enhancement of agricultural productivity.

Mr. Chairman,

24. The financial crisis could not have come at a worst time for a net food and fuel importing country like Pakistan. We are still reeling from a rising trade deficit on account of high food and volatile fuel prices and rising inflation. Pakistan, an agrarian economy, is also adversely affected by climate change.

25. Additionally, the new democratically elected Government also inherited a difficult financial and precarious security environment in and around Pakistan.

26. Undaunted, we are determined to tackle all these challenges frontally and we look forward to the support and cooperation of the international community in this pursuit.

27. In line with the commitments made at Monterrey, our strategy and actions at the national level stem from a firm belief that the primary responsibility and central action in our pursuit for economic growth and development vests in our nation. We need to devote all our energies into putting our house in order and pursuing aggressive reforms to achieve this. The strategy rests on seven pillars:

First, good economic management based on a pro-poor growth strategy relying on better fiscal and monetary discipline.

Second, improving governance by consolidating democracy and ensuring participation of the people in decision making at all levels, both as a means of delivering better development results and ensuring social and economic justice.

Third, achieving high and broad-based economic growth focusing particularly on the rural economy, while maintaining macroeconomic stability. It is our view that agriculture holds the key to poverty reduction. Consequently, upon taking the office, the government has taken a number of steps to enhance agriculture production, stabilize availability and prices of essential commodities.

Fourth, investing in human capital with a renewed emphasis on effective delivery of basic social services.

Fifth, bringing the poor and vulnerable and backward regions into the mainstream of development by augmenting targeted interventions and expanding social safety nets. A major program of cash transfer namely Benazir Income Support Programme (BISP) with an allocation of Rs.34 billion for 2008-09 has also been launched. It will provide cash assistance of Rs.1,000/- per month to 3.4 million poor households.

Sixth, focus on empowerment of women and minorities as well as improving the access to as well as the quality of healthcare and education.

Seventh, pursuing peace and forging close bilateral and regional economic partnerships with a view to share and leverage our geographical location at the crossroads of three vital regions – South Asia, Central Asia and West Asia.

28. We are also fully cognizant of the fact that the global economic scenario is fast changing and fragile. This requires preparedness and capacity to respond to a more volatile global economy. To this end, we are working to secure flexibility in the design and implementation of our national development strategies and plans and a credible financial cushion to deal with the situation.

29. While we review the steps taken by Pakistan in line with our commitments under Monterrey, we are in our right to expect similar alacrity from our partners in fulfilling their side of the bargain. We do hope that Doha will be a watershed in this regard.

Mr. Chairman,

30. Before I conclude, let me say that we have no small task before us. We must act quickly, resolutely and purposefully. Our job is to, first, stop the present crises from pushing the world further into recession. Second, to jointly work across north-south lines to advance our common goals of economic growth and prosperity to address trust deficit upfront.

31. Our future generations will judge us by the speed and seriousness of actions that we take today. And only through collective effort and commensurate political will we can put the world on a fast development trajectory as envisioned at Monterrey and now reaffirmed at Doha.

32. I thank you Mr. Chairman.