

HIGH-LEVEL SEGMENT OF ECOSOC, 28-30 JUNE 2004

UK STATEMENT

DELIVERED BY MASOOD AHMED

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Thank you Madame President. The UK aligns itself with the statement made this morning by Minister Kitt of Ireland on behalf of the EU.

Four years after the adoption of the Millennium Declaration we are fast approaching the first major review of progress. But we already know that we are falling short of what is required of us. We know that we need to do much more – all of us need to do much more - if we are to deliver the promises we made together at the start of the new millennium.

The Secretary General's report is a stark reminder of the scale of the challenges in health, hunger and poverty. Those challenges are most acute in the Least Developed Countries. And that is why our discussion today is of such importance.

We knew in 2000 what had to be done. And we knew then that developed and developing countries would have to work shoulder to shoulder to achieve it. This has not changed. As President Kerekou of Benin said yesterday, developing countries need to strengthen efforts to take ownership of their own development; to improve the efficiency and transparency of public policies; and to create the environment for foreign investment and a flourishing private sector. NEPAD, with its peer review mechanism, is an important step in this direction.

Our challenge as developed countries is to deepen our commitment: To reform international trade and eliminate trade-distorting agricultural subsidies. To accelerate progress on debt. And to provide more oda, used more effectively, in

those countries that have demonstrated – not least through their own internal reforms - commitment to poverty reduction and accountable governance.

Delivering this agenda requires sustained high level political will and commitment. We have the chance in 2005 to rededicate ourselves to this agenda and to real action. And this is in many ways a last chance for mobilisation of political will and resources if our goals are to be achieved by 2015. To do that will require vision and innovation: for challenging the status quo; and for changing the way we do business.

A fundamental challenge for the UN system, including ECOSOC itself – is to move beyond routine debate to generating new ideas and energy. With this mind I would like to focus today on three key challenges: mobilising resources; using those resources more effectively; and making the most of ECOSOC's potential.

Mobilising Resources

We believe development assistance can make a catalytic difference in countries with a clear commitment to progress on poverty reduction, good governance, and establishing transparent accountability mechanisms - not just between governments and donors, but more importantly between governments and their own people.

The ODA commitments made at Monterrey are significant – an additional \$16 billion each year. But all the studies show that we need even more – a total of \$50-60 billion extra. The frequently drawn comparisons between these sums and the far higher levels of agricultural subsidies in Europe and the United States provide a useful context. The key point is that these additional requirements are not unrealistic. They are deliverable.

There has been progress since Monterrey. ODA levels have reversed their long decline. In the UK we have doubled our ODA in real terms since the present government was elected in 1997. Last week in Geneva we announced a 50% increase over four years in our core funding for UNDP.

But over two years since Monterrey it is clear that money is needed more quickly and on a greater scale than even the best-intentioned donors can manage. We can debate the rights and wrongs of this. Or we can find innovative ways to address the problem.

That is why the UK has put forward a concrete proposal – the International Finance Facility (IFF) – whose central aim is to provide money now against pledges of increased aid resources further down the road. To front load vital investments, at the same time as making progress toward larger aid budgets, building on the example of those countries which have already reached aid levels of 0.7% of their national income

More ODA is necessary but not sufficient. That is why we have been working through the G8 to extend the sunset date of the HIPC initiative by two years to enable more heavily indebted poor countries to benefit from much needed debt relief.

And President Museveni of Uganda and others are right to remind us that increased aid is no substitute for more open trade. Agreement on trade in the Doha Development Round could deliver substantial benefits for both high income and developing countries. We must not let our opportunity to put the Round back on course pass us by in Geneva next month.

Resource Effectiveness

We must also act to strengthen absorptive capacity. World Bank research indicates that sub-Saharan African countries that are performing well already have the capacity to absorb up to 60% more aid and to use this effectively in making progress towards the MDGs. Not only do we need to plug this gap, and quickly, but we must also make ODA resources available more predictably, more efficiently and better geared to securing sustainable outcomes.

This means moving beyond co-ordination to a truly integrated development effort at the country level, fully aligned behind nationally owned poverty reduction and development strategies that offer real prospects for achieving the MDGs. It is the key challenge for all of us in the international development business. And it is a challenge that governments of developing countries, as well as the UN system, IFIs and bilateral donors, must meet if we are to be successful.

In this context I wanted to say something today about UN development reforms. But I do not think I could put it any better than Mark Malloch Brown did when he addressed the UNDP Executive Board in Geneva the other week. He asked: is the UN ready for prime time, or do we run the real risk that the great effort to mobilise political will and resources around the MDGs flops at the point of implementation? Do we need to accelerate our own (UN) reforms in order to be ready for success?

Reform is the only way forward – for the UN, for bilaterals, and for the international system as a whole. In developed countries we must widen and deepen commitment to simplifying what we do, untying what we do, and working with governments rather than in competition with them and among ourselves as donors. And all this with a total focus on delivery and results.

We also need to hear more from developing countries in the debate about how aid is delivered. At national level you need to argue strongly for more effective ODA with lower transaction costs. And at international levels - including in the UN - you have a vested interest in joining those of us working for the changes to allow this to happen. I worry that there are too few voices from partner countries arguing - like Prime Minister Meles of Ethiopia and President Wade of Senegal - for more attention to be given to the quality as well as the quantity of ODA.

The Role of ECOSOC

This brings me finally to the role of ECOSOC. I know ECOSOC mainly by reputation. Outside New York, and perhaps even inside, that reputation is far from perfect. Hence the continued debate about ECOSOC reform, or new bodies like a G20 or an Economic and Social Security Council. Clearly many feel ECOSOC is not playing its proper role. But what are we doing about it?

The UN Charter shows that ECOSOC should have a key role in ensuring coherence and co-ordination in UN economic and social activity. Last year the Secretary General called for this role to be rethought and reinvigorated. How can this be achieved?

- We should be working now on using more effectively the powerful tool that ECOSOC can and should provide. For achieving stronger, more co-ordinated UN development efforts that deliver better results on the ground. For achieving more effective, much less compartmentalised UN assistance to countries emerging from conflict. And for recognising the importance of the right of the poorest to have a real stake in the decisions that affect their daily lives.

- Madame President, you and your predecessors have made a valuable start on these challenges. We welcome that, and applaud your efforts. And we stand ready to support you in taking this agenda forward.
- We hope the Secretary General's High Level Panel will also consider how to strengthen the UN response to international economic and social challenges – these are just as central to long-term peace and security as better UN conflict prevention and peacekeeping;

Conclusion

Let me leave you with three final points:

- ? First: the MDG framework is sound. It tells us what we need to do and why. The challenge is delivery. We need to answer “how” we can achieve a step change in the way we do business. This must be our focus between now and September 2005
- ? Second: We must focus on results and better monitoring of our collective and individual performance.
- ? Third: ECOSOC has a potentially vital role. We now need to show that ECOSOC can stimulate new thinking to change the way we do business in the UN, here in New York and at the country level. The discussions in this ECOSOC session of the Triennial Review of operational activities, and of the challenges facing countries in the transition from relief to development, represent an opportunity to do just this. We must seize this opportunity together.

Thank You

29 JUNE 2004