

14 May 2001

**Statement of H.E. Mr. Harri Holkeri,
President of the 55th Session of the General Assembly,
at the Special Event at the Third United Nations Conference on
the Least Developed Countries - "The Challenge of Eradicating
Poverty for Sustainable Development: International Community
Response" How can we reach the 2015 International
Development Goals?**

Why is it that we have so often failed in promoting sustainable development in the LDCs? One of the main reasons is that we have focused primarily on narrow and short-term goals. National rivalry, protectionism and the legacy of the Cold War, as well as coping with the sheer speed of change have overshadowed longer-term objectives.

The post-Cold War world is a globalized and interdependent one. Yet, one of the key dimensions of globalization has been overlooked: global responsibility. This shared responsibility was recognized in the Millennium Declaration, which reflected an unprecedented global consensus on international development targets. It gave clear direction for the international community.

Globalization can also give reason for optimism. Our technological know-how and financial resources are greater than ever. The international community is more or less in agreement on the root causes of poverty and development problems, as well as on their solutions. Several LDCs have experienced democratization and increased levels of civic participation in their societies. Many of them have launched ambitious - and often painful - macroeconomic reforms to increase openness and tear down trade barriers. There has also been a growing realization that development requires a stable domestic environment. As recognized by the national level preparations in LDCs, good governance and respect for human rights are prerequisites for all development efforts.

Now it is time for the international community to live up to global responsibility and to recognize the steps taken by the LDCs. In practice, this calls for a multidimensional and integrated approach, where different policies reinforce one another. We need to remove trade barriers and provide debt relief, as much as we need to build local health care and education systems. Finding the right balance varies from one society to another, but the main strength in development are the people of the LDCs themselves. Their efforts would undoubtedly benefit from better coherence and coordination within national and international policy making bodies.

The Millennium Declaration recognizes the importance of duty- and quota-free market access for the exports of LDCs. Achieving this could exceed the benefits of development aid. Improving trade relations paves the way to self-reliance and creates conditions for sustainable development.

Recently, the European Union agreed on tariff- and quota-free access for LDC products. I hope that especially other industrialized countries will follow this example.

Equal access to markets is a necessary but not sufficient condition for development. Supply constraints and declining terms of trade for LDCs may prevent them from taking full advantage of the open global trade system. Their productive capacities need to be strengthened and trade sectors diversified.

Furthermore, development cannot be left to the markets alone. This is because the market cannot guarantee public goods, especially in the poor countries. These public goods include social development, protection of the environment, equal access to education, knowledge and health care, as well as greater gender equality. Development co-operation and aid are necessary to build human resources and institutional capacity.

As for education, it is the fundamental right of every child. The education of girls cannot be overemphasized, as it is one of the keys to development. If left to the marketplace alone, education will not reach every child. The international community must also ensure that modern technology, especially information and communication technology are put at the service of development. This is yet another issue, which has special urgency in the poorest countries of the world.

LDCs have also suffered -more than other recipients - from aid fatigue. Some LDCs have not been able to receive and use aid effectively due to capacity constraints, others due to internal or external conflicts. If aid is mainly humanitarian and targeted to those at the margin of survival, its results may lack visibility. Faith in the effectiveness and rationale of aid declines.

In particular, external support is required during political and socioeconomic transition periods. I strongly urge the industrialized countries to raise the levels of ODA to meet the agreed targets of the international community. It is also important to continue efforts to make aid more effective and meaningful for local needs, because this is one of the best ways to overcome aid fatigue.

To reach our targets we need new kind of partnerships at all levels. National governments and intergovernmental organizations can no longer carry their tasks alone, but need the co-operation of their civil society partners. Today, non-governmental organizations are full-fledged members of the international community. Many NGOs have already started to assist to implement the goals of the Millennium Declaration. In addition, partnerships with the private sector and its enormous resources are needed if we are to solve the challenges of global development. The values and targets of the Millennium Declaration should be added to the ethical principles of private sector organizations.

International organizations should themselves constantly adapt to global change and define their tasks accordingly. In this context, a stronger partnership is needed between the United Nations and the international trade and financial institutions. Also, I warmly welcome the positive

initiatives and examples experienced at the regional level between LDCs and all their development partners.

Some have already rushed to claim that halving poverty by 2015 would require growth rates, which are unrealistic and beyond our range. This is, however, no time for defeatism, but for action in order to reach the required growth rates, especially in the LDCs. I am convinced that Governments and the international community can reach the set targets. They must show the same kind of enthusiasm and commitment in the follow-up to the Millennium Summit as was experienced when the commitments were made last September.

This LDC Conference is an integral part of the follow-up to the Millennium Summit. It provides an opportunity to turn our ambitious goals and global consensus into concrete action. For the peoples in the Least Developed Countries, therein lies an opportunity. It is our task to give them this opportunity.