

## Financing for Development

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43. **Outlook India.com**, “Annan asks world leaders to clinch global deal on development”
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48. **Dawn.com** ran “Pakistan urges UN to close rich-poor gap”  
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64. **Europe Information**, “DÉVELOPPEMENT: LOUIS MICHEL APPELLE LES DONATEURS À SUIVRE L'EXEMPLE DE L'UE”
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79. **Khaleej Times** ran a story entitled, “UAE calls for financing development mechanism”  
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## **France, Brazil, Chile and Germany call for tax on airline tickets to help fight poverty**

By EDITH M. LEDERER

Associated Press Writer

915 words

27 June 2005

22:26

[Associated Press Newswires](#)

English

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UNITED NATIONS (AP) - France, Brazil, Chile and Germany called for a tax on airline tickets to help finance the global fight against poverty, and urged all countries to support the proposal.

The idea for a "solidarity levy" was presented by France's Minister of Economy and Finance Thierry Breton at a two-day U.N. ministerial meeting to follow up on commitments made three years ago at the U.N. summit on financing development in Monterrey, Mexico.

In the search for new ways of funding the U.N. goal of halving extreme poverty by 2015, Breton said an airline tax was "one of the most promising solutions for the developing countries and for the international aid architecture."

He said airline tickets were chosen because airlines benefit from globalization and pay low tax rates, because airline passengers "are rarely among the poorest citizens," and because the practical and legal feasibility of similar levels has been proven in Britain and elsewhere.

"In view of the need for immediate action and for proof that this is a workable approach, France, Brazil, Chile and Germany are therefore calling for the rapid implementation of a pilot solidarity levy based on airline tickets," Breton said.

He said the tax could be different for domestic and international travel and for economy and business seats, and it could also vary depending on a country's wealth. The proceeds would go through existing institutions "to avoid needless bureaucracy" and could be used to

finance urgent programs such as vaccination campaigns or AIDS treatment, he said.

As an example, Breton said, if all countries participated a tax of 5 euros (US\$6.08) per passenger, with a 20 euro (US\$24.32) surcharge for business class, it would generate about 10 billion euros (US\$12.16 billion) a year.

That's almost one-quarter of the estimated annual funding shortfall to meet the U.N. development goals, which also include ensuring universal primary education and stemming the AIDS pandemic by 2015, he said.

A year ago, he said, "the very idea of an international levy was taboo and considered inappropriate" but today it is on the agenda of the United Nations, the International Monetary Fund, the World Bank, the European Union and the Group of Eight major industrialized nations who are meeting in Scotland from July 6-8.

"Many countries in both the northern and the southern hemisphere have already pledged support while others are planning to support us in the near future," he said.

Breton urged all countries to back the ticket tax in the run-up to the U.N. summit in September that Secretary-General Kofi Annan has called to tackle U.N. reform and adopt measures to achieve the U.N. development goals.

With more than 2 billion people living on less than US\$2 (euro1.64) a day, Annan called for "dramatic action" by developed and developing countries to ensure the goals are met, saying "never, perhaps, have a few weeks mattered so much for the world's poor."

Britain's International Development Secretary **Hilary Benn** warned that at the present rate of progress, "poverty will not be halved until 2150 -- 135 years too late" and "primary education for all will not be achieved until 2130 -- 115 years too late."

Since the 1960s, the United Nations has called for rich countries to increase aid to 0.7 percent of their national incomes. All 25 European Union nations have recently pledged to reach that target by 2015.

Benn said that would double EU aid from US\$40 billion (euro33 billion) to US\$80 billion (euro66 billion) in 2010, with half going to Africa. He

said the test of the G8 summit, in Gleneagles, Scotland, will be whether it comes up with the additional US\$25 billion (euro20.5 billion) a year needed for Africa in 2010.

Andrew Natsios, the U.S. aid chief, defended the U.S. expenditure of about 0.17 percent of GDP on development aid last year, saying wealthy countries need to focus not just on money but on the other half of the bargain reached at the 2002 summit.

It called for developing countries to end corruption and promote good governance, the rule of law, peace and democracy.

At the Monterrey summit, Natsios said, U.S. President George W. Bush pledged to increase development assistance by 50 percent by 2006 -- a commitment the U.S. achieved three years early in 2003.

The United States has increased development aid from US\$10 billion (euro8.2 billion) in 2000 to US\$19 billion (euro15.6 billion) last year and should reach close to US\$24 billion (euro19.7 billion) this year "which means a 140 percent increase in five years," Natsios said.

"If we ever reached 0.7 percent, we would be the dominant force in all aid...," the head of the U.S. Agency for International Development told a briefing. That "would be imperial development by the United States. Do you know what 0.7 percent is? It's US\$91 billion (euro75 billion). We couldn't spend US\$91 billion if we wanted to."

But Jamaica's state minister for foreign affairs Delano Franklyn, speaking on behalf of the Group of 77 which includes 132 mainly developing countries, said money is crucial -- and it urged all countries to meet the 0.7 percent target.

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1.  **Associated Press**

**United States answers critics who say it should spend billions more to fight poverty**

By EDITH M. LEDERER  
Associated Press Writer

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English

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UNITED NATIONS (AP) - The U.S. aid chief on Monday defended the United States against critics who say Washington should spend billions more to fight poverty, arguing that it has more than doubled aid since 2000.

He also called on rich countries to focus equally on promoting democracy in poor countries.

"I think the wrong message is that it's money and only money that's going to make the difference," said Andrew Natsios, one of some 180 speakers at a two-day U.N. ministerial meeting to follow up on commitments made three years ago at the U.N. summit on financing development.

He said wealthy donor countries are focusing their attention "only on the giving of more money," and not on the other half of the bargain reached at the 2002 summit in Monterrey, Mexico, which called for developing countries to end corruption and promote good governance, the rule of law, peace and democracy.

"If we don't do that, we can spend all the money we want to and it will not have the desired effect," said Natsios, who heads the U.S. Agency for International Development. "So what we're trying to do is make aid an instrument for the reformers in governments in the developing world, and that's beginning to ... have an effect."

The plight of the more than 2 billion people living on less than US\$2 (euro1.64) a day will be on the agenda at the July 6-8 summit of the Group of Eight richest nations and at the U.N. summit in September where Secretary-General Kofi Annan wants world leaders to decide

how to meet development goals that include halving extreme poverty by 2015.

In a keynote address, Annan called for "dramatic action" by both sides, saying "never, perhaps, have a few weeks mattered so much for the world's poor."

The other half of the bargain at the Monterrey summit called for rich nations to increase aid, cancel debts of the world's poorest countries, and open up the world trading system so developing countries can compete.

Since the 1960s, the United Nations has called for rich countries to increase aid to 0.7 percent of their national incomes. All 25 European Union nations have recently pledged to reach that target by 2015.

Britain's International Development Secretary **Hilary Benn** said that would double EU aid from US\$40 billion (euro33 billion) to US\$80 billion (euro66 billion) in 2010, with half going to Africa. He said the test of the G8 summit, in Gleneagles, Scotland, will be whether it comes up with the additional US\$25 billion (euro20.5 billion) a year needed for Africa in 2010.

Natsios said the United States never agreed to spend 0.7 percent "and doesn't agree to now."

What counts, he said, is that the United States is increasing aid while countries that aren't yet at 0.7 percent cut their aid budgets last year, including Germany, the Netherlands and Japan.

"If we ever reached 0.7 percent, we would be the dominant force in all aid..." Natsios said at a briefing for several reporters. That "would be imperial development by the United States. Do you know what 0.7 percent is? It's US\$91 billion (euro75 billion). We couldn't spend US\$91 billion if we wanted to."

At the Monterrey summit, he said, U.S. President George W. Bush pledged to increase development assistance by 50 percent by 2006 -- a commitment the U.S. achieved three years early in 2003.

In 2000, the United States spent US\$10 billion (euro8.2 billion) in development assistance, and last year it spent US\$19 billion (euro15.6 billion), including US\$3.2 billion (euro2.6 billion) for Africa. This year,



"we should be close to US\$24 billion (euro19.7 billion) ... which means a 140 percent increase in five years," Natsios said.

"We're increasing our aid budgets by the largest percentage of any of the major donors and we're getting criticized while other governments are cutting their aid budgets," he said.

Britain's Benn said Natsios is right that reform and aid must go hand in hand, and cited recent crackdowns on corruption in Nigeria, South Africa and Zambia and the African Union's "peer review" process to tackle bad governance.

Benn warned that at the present rate of progress, "poverty will not be halved until 2150 -- 135 years too late."

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## Russia to Cancel Debt of African Nations

By EDITH M. LEDERER  
Associated Press Writer  
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### [Associated Press Newswires](#)

English  
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UNITED NATIONS (AP) - Russia said Tuesday it intends to cancel \$2.2 billion owed by the poorest African countries in support of an initiative by the eight major industrialized nations to write off more than \$40 billion of debt.

Russia's U.N. Ambassador **Andrey Denisov** told a U.N. ministerial meeting on funding to fight poverty that Moscow wanted "to underline our general support" for the June 11 agreement by finance ministers of the Group of Eight to immediately cancel the debts of 18 poverty-wracked nations.

"This year Russia intends to announce the cancellation of \$2.2 billion for the poorest African states on bilateral basis," Denisov said.

Russia is a member of the Group of Eight and Finance Minister Alexei Kudrin indicated after the G8 announcement that Moscow is ready to forgive African debt left over from the Soviet era. In a June 12 interview on state-run Rossiya television, he said Moscow hoped that eliminating some debt, which is unlikely to be paid back in the next decade or two anyway, "would help lift up the economies of these states."

But Denisov's speech was the first to give a figure and a timetable.

The Russian ambassador said that Moscow will cancel debts under the Heavily Indebted Poor Countries Initiative, a program launched by the World Bank and International Monetary Fund in 1996 to help nations mainly in Africa escape the poverty-trap.

The deal will initially scrap \$40 billion owed by 18 nations eligible for debt relief under the initiative, including Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana and Mali. A further nine countries owing \$11 billion are expected to complete the program's targets for good governance within 12 to 18 months and would then qualify.

To meet the good governance standard, the G8 want recipient nations to cut corruption, tackle fraud, free up their economies and liberalize trade.

Denisov said "in absolute terms, Russia is among the leaders in the cancellation of debt of the poorest countries."

But he said Russia believes that debt cancellation alone will not lift countries out of poverty unless they reform financial and budgetary policies, adopt structural reforms, strengthen state institutions, and improve the climate for investment.

The debt cancellation deal follows commitments made by governments in 2002 at the U.N. summit on financing development in Monterrey, Mexico. Rich nations pledged to increase

development aid, cancel debts to the poorest countries, and open the global trading system while developing countries promised to end corruption and promote good governance and democracy.

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**June 28, 2005 Tuesday**

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**HEADLINE:** Russia says it intends to cancel \$2.2 billion owed by the  
poorest African countries

**BYLINE:** EDITH M. LEDERER; Associated Press Writer

**DATELINE:** UNITED NATIONS

**BODY:**

Russia said it intends to cancel \$2.2 billion ([euro]1.8 billion) owed by the poorest African countries in support of an initiative by the eight major industrialized nations to write off more than \$40 billion ([euro]33 billion) of debt.

Russia's U.N. Ambassador Andrey Denisov told a U.N. ministerial meeting focusing on ways to increase funding to fight poverty that Moscow wanted "to underline our general support" for the June 11 agreement by finance ministers of the Group of Eight to immediately cancel the debts of 18 poverty-burdened nations.

"This year Russia intends to announce the cancellation of 2.2 billion for the poorest African states on a bilateral basis," Denisov said Tuesday.

Russia is a member of the Group of Eight. Finance Minister Alexei Kudrin indicated after the G8 announcement that Moscow is ready to forgive

African debt left over from the Soviet era. In a June 12 interview on state-run Rossiya television, he said Moscow hoped that eliminating some debt, which is unlikely to be paid back in the next decade or two anyway, "would help lift up the economies of these states."

But Denisov's speech was the first to give a figure and a timetable.

The Russian ambassador said that like the G8, Moscow will cancel debts under the Heavily Indebted Poor Countries Initiative, a program launched by the World Bank and International Monetary Fund in 1996 to help nations mainly in Africa escape the poverty-trap.

The G8 deal will initially scrap \$40 billion owed by 18 nations eligible for debt relief under the initiative, known as HIPC, including Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana and Mali. A further nine countries owing \$11 billion ([euro]9 billion) are expected to complete the program's targets for good governance within 12 to 18 months and would then qualify.

To meet the good governance standard, the G8 want recipient nations to cut corruption, tackle fraud, free up their economies and liberalize trade.

Denisov said "in absolute terms, Russia is among the leaders in the cancellation of debt of the poorest countries."

But he said Russia believes that debt cancellation alone will not lift countries out of poverty unless they reform financial and budgetary policies, adopt structural reforms, strengthen state institutions, and improve the climate for investment.

Pakistan's U.N. envoy **Munir Akram** said world leaders attending a U.N. summit in September, which will focus partly on how to reduce extreme poverty by half by 2015, should also endorse significant debt cancellation for poor non-HIPC countries and more debt relief for heavily indebted middle-income countries.

The two-day ministerial meeting, which ended late Tuesday, focused on commitments made by governments in 2002 at the U.N. summit on financing development in Monterrey, Mexico. Rich nations pledged to increase development aid, cancel debts to the poorest countries, and open the global trading system, while developing countries promised to end corruption and promote good governance and democracy.

European Union nations were lauded for setting timetables to increase aid to 0.7 percent of their national incomes by 2015. But the Group of 77, which

includes 132 mainly developing countries, said that's not enough, and urged all donor countries to meet the target.

The G77 also criticized the failure to reach a breakthrough on trade since Monterrey and expressed hope that a ministerial meeting in Hong Kong in December would finally agree to give poor nations greater market access.

Peter Mandelson, the EU trade commissioner, told a news conference that "if aid is the fuel of economic growth, then trade is its engine," and he said "trade should be put at the service of development."

With next week's G8 summit in Scotland and the U.N. summit and global trade talks to follow, Mandelson said, "We can make 2005 the breakthrough year on poverty reduction."

Pakistan's Akram said developing countries also welcome efforts to find additional "innovative financing" to reduce poverty.

Luxembourg's Development Minister Jean-Louis Schiltz, whose country holds the rotating EU presidency, said the two most promising ideas are a tax on airline tickets and an International Finance Facility that would aim to raise an extra \$50 billion ([euro]41.3 billion) a year by selling bonds on the world's capital markets.

**LOAD-DATE:** June 29, 2005

1)



## **US defends aid policy, says helps push reforms**

Tue June 28, 2005 8:28 AM GMT+02:00

By Evelyn Leopold

UNITED NATIONS (Reuters) - The U.S. aid chief, rejecting criticism of America's aid policy, said on Monday the Bush administration had more than doubled its contributions and was using them as an incentive for governments to reform.

The United States has been criticized for spending only about 0.16 percent of its national income on non-military assistance abroad while the European Union has pledged to reach the U.N. target of 0.7 percent of its income by 2015.

"If we ever reached 0.7 percent, we would be the dominant force in all aid" and be accused of "imperial development," said Andrew Natsios, administrator for the U.S. Agency for International Development.

He said that 0.7 percent would amount to \$91 billion and added: "We couldn't spend \$91 billion if we wanted to."

Natsios spoke during a special two-day General Assembly session on financing for development, attended by over 70 foreign, finance and development ministers, to exchange ideas on money, trade and debt relief before a U.N. world summit in September. One aim of the summit is to reduce poverty and disease among the poorest countries.

"We are increasing our aid budget by the largest percentage of any of the major donors and we are getting criticized while others are cutting theirs," Natsios said, referring to Germany, which has reduced aid but promised a big increase.

The United States in 2004 spent \$19.4 billion, of which some \$3.2 billion was for Africa. Of this amount some \$1 billion was for emergency food aid and \$1.5 for technical cooperation and consultants.

Natsios said developing nations had an obligation to cut corruption, open their doors to business, and respect human rights and U.S. aid could be an incentive.

"So what we are trying to do is make aid an instrument for the reformers in governments in the developing world and that's beginning to (have) an effect," he said.

Natsios said the number of countries receiving aid would be broadened, and U.S. assistance for all parts of the world was expected to reach some \$24 billion this year.

However, speaker after speaker at the assembly session, put forth government reform

plans and said the anticipated assistance was not forthcoming.

Jamaica's Foreign Minister, Delano Franklyn, speaking for the Group of 77 developing nations, which now has more than 130 members, said international efforts lack coordination and focus, whether by governments, the World Bank, the World Trade Organization or U.N. bodies.

"The systems remain incoherent. Actions in one area still often times negate or constrain actions in the others," Franklyn told the assembly.

Hilary Benn, the British secretary of state for international development, said no one was doing enough, not just the United States. But he said the agreement by major developed states, including the United States, to give poor countries debt relief could result in \$55 billion to 38 countries in Africa, Asia and Latin America.

Benn also said that reforms were necessary but Britain was no longer insisting on specific economic changes but awarded good governance and respect for human rights.

**This story was found at:**

[http://www.reuters.co.za/locales/c\\_newsArticle.jsp::42c0f6d9:a9dc4b3dd2f3e63?type=topNews&localeKey=en\\_ZA&storyID=8910070](http://www.reuters.co.za/locales/c_newsArticle.jsp::42c0f6d9:a9dc4b3dd2f3e63?type=topNews&localeKey=en_ZA&storyID=8910070)



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## Russia will cancel \$2.2 bln debt to African states

Wed Jun 29, 2005 8:31 AM BST

By Evelyn Leopold

UNITED NATIONS (Reuters) - Russia promised the U.N. General Assembly it would make good on its pledge to forgive \$2.2 billion in debt for African nations as part of an agreement by major industrial nations to cancel more than \$40 billion in debts to the world's poorest countries.

Moscow's U.N. ambassador, Andrei Denisov told a session of finance, foreign and development ministers on Tuesday that Russia "underlines our general support" to the Group of Eight industrial nations, whose finance ministers decided in London to cancel the debt of 18 countries.

"Thus, this year Russia intends to announce the cancellation of \$2.2 billion for the poorest African states on a bilateral basis," he said. "In absolute terms, Russia is among the leaders in the cancellation of debt to the poorest countries."

Denisov spoke during a two-day ministerial General Assembly session, which ended on Tuesday, on financing for development. It touched on aid, trade and debt relief before a U.N. world summit in September. One aim of the summit is to reduce poverty and disease among the poorest countries.

Russia's Finance Minister Alexei Kudrin has said Moscow would include \$2.2 billion in debt forgiveness. He has estimated Russia's write-offs at \$5 billion until 2015.

Under the G8 agreement earlier this month, the 18 mostly African nations would receive immediate relief on debt they owe to the World Bank, the International Monetary Fund and other multilateral lenders. Nine other African nations are likely to qualify soon.

### 'CLAPTRAP OF UNDERDEVELOPMENT'

While many positions had been voiced previously, the General Assembly session gave developing countries a chance to criticize the inequities before the forthcoming G8 session in Gleneagles, Scotland and the U.N. summit.

Several nations including Turkey, Paraguay and Bangladesh said that without liberalized trade, other incentives could come to naught.

"Fifty least developed countries (LDCs) are seemingly caught in a claptrap of underdevelopment, poverty and structural weaknesses," said Bangladeshi Ambassador Iftekhar Chowdhury.

"We urge the international community to provide immediate bound duty free and quota free market access for all exports of all LDCs. Their exports should not be subjected to unrealistic rules of origin conditions," he said.

French Finance Minister Thierry Breton told the session that airline passengers were "rarely among the poorest" people and could pay anywhere from \$6 a passenger to \$24 in a special tax, which could generate about \$12 billion a year.

He said that in addition to Germany, Brazil and Chile backed the plan and were "calling for the rapid implementation of a pilot

solidarity levy."

The United States is against the tax but told the G8 it would not block others from implementing it.

Luxembourg's Development Minister Jean-Louis Schiltz, whose country is just ending the rotating European Union presidency, told a news conference on Tuesday that two ideas were promising to meet U.N. Millennium development goals.

One was the tax on air tickets. The other was Britain's proposal for an International Finance Facility that could raise \$50 billion a year by selling bonds on capital markets.

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## **Many Nations Seeking Airline Ticket Tax To Fight Poverty**

574 words

28 June 2005

06:25

[Dow Jones International News](#)

English

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UNITED NATIONS (AP)--France, Germany, Brazil and Chile have called for a tax on airline tickets to help finance the global fight against poverty.

Such a tax makes sense because airlines benefit from globalization and pay low tax rates, and airline passengers "are rarely among the poorest citizens," **Thierry Breton**, France's economic minister, told a U.N. ministerial meeting.

He said the tax could be different for domestic and international travel and for economy and business seats, and it could also vary depending on a country's wealth. The proceeds would go through existing institutions "to avoid needless bureaucracy" and could be used to finance urgent programs such as vaccination campaigns or AIDS treatment.

For example, Breton said, a tax of about \$6 per passenger, with a \$24 surcharge for business class, would generate about \$12 billion a year. That's about one-fourth the estimated annual funding shortfall for meeting U.N. development goals.

Those goals include cutting extreme poverty by half, providing universal primary education and stemming the AIDS pandemic by 2015, he said.

"In view of the need for immediate action and for proof that this is a workable approach, France, Brazil, Chile and Germany are therefore calling for the rapid implementation of a pilot solidarity levy based on airline tickets," Breton said.

The plight of the more than 2 billion people living on less than \$2 a day will be discussed at the July 6-8 summit of the Group of Eight richest nations and at the U.N. summit in September.

"Many countries in both the northern and the southern hemisphere have already pledged support while others are planning to support us in the near future," Breton said.

Britain's International Development Secretary Hilary Benn warned that at the present rate, "poverty will not be halved until 2150 -135 years too late" and "primary education for all will not be achieved until 2130 -115 years too late."

Since the 1960s, the United Nations has called for rich countries to increase aid to 0.7% of their national incomes. All 25 European Union nations have recently pledged to reach that target by 2015.

Andrew Natsios, the U.S. aid chief, defended the U.S. expenditure of about 0.17% of GDP on development aid last year, saying wealthy countries need to focus not just on money but on the other half of the bargain reached at the 2002 summit in Monterrey, Mexico.

He was referring to demands on developing countries to end corruption and promote good governance, the rule of law, peace and democracy.

At the Monterrey summit, he said, President Bush pledged to increase development assistance by 50% by 2006 -a commitment the U.S. achieved three years early in 2003.

In 2000, the United States spent \$10 billion in development assistance, and last year it spent \$19 billion, including \$3.2 billion for Africa. This year, "we should be close to \$24 billion ... which means a 140% increase in five years," Natsios said.

"If we ever reached 0.7%, we would be the dominant force in all aid," the head of the U.S. Agency for International Development said separately in remarks to reporters. That "would be imperial development by the United States. Do you know what 0.7% is? It's \$91 billion. We couldn't spend \$91 billion if we wanted to." [ 28-06-05 1025GMT ]

Document DJI0000020050628e16s000h7



## **Answering Criticism, US Says It's Boosted Intl Poverty Aid**

721 words

27 June 2005

18:07

### [Dow Jones International News](#)

English

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UNITED NATIONS (AP)--The U.S. aid chief on Monday defended the United States against critics who say Washington should spend billions more to fight poverty, arguing that it has more than doubled aid since 2000.

He also called on rich countries to focus equally on promoting democracy in poor countries.

"I think the wrong message is that it's money and only money that's going to make the difference," said Andrew Natsios, one of some 180 speakers at a two-day U.N. ministerial meeting to follow up on commitments made three years ago at the U.N. summit on financing development.

He said wealthy donor countries are focusing their attention "only on the giving of more money," and not on the other half of the bargain reached at the 2002 summit in Monterrey, Mexico, which called for developing countries to end corruption and promote good governance, the rule of law, peace and democracy.

"If we don't do that, we can spend all the money we want to and it will not have the desired effect," said Natsios, who heads the U.S. Agency for International Development. "So what we're trying to do is make aid an instrument for the reformers in governments in the developing world, and that's beginning to ... have an effect."

The plight of the more than 2 billion people living on less than \$2 a day will be on the agenda at the July 6-8 summit of the Group of Eight richest nations and at the U.N. summit in September where Secretary-General Kofi Annan wants world leaders to decide how to meet development goals that include halving extreme poverty by 2015.

In a keynote address, Annan called for "dramatic action" by both sides, saying "never, perhaps, have a few weeks mattered so much for the world's poor."

The other half of the bargain at the Monterrey summit called for rich nations to increase aid, cancel debts of the world's poorest countries, and open up the world trading system so developing countries can compete.

Since the 1960s, the United Nations has called for rich countries to increase aid to 0.7% of their national incomes. All 25 European Union nations have recently pledged to reach that target by 2015.

Britain's International Development Secretary **Hilary Benn** said that would double E.U. aid from \$40 billion to \$80 billion in 2010, with half going to Africa. He said the test of the G8 summit, in Gleneagles, Scotland, will be whether it comes up with the additional \$25 billion a year needed for Africa in 2010.

Natsios said the United States never agreed to spend 0.7% "and doesn't agree to now."

What counts, he said, is that the United States is increasing aid while countries that aren't yet at 0.7% cut their aid budgets last year, including Germany, the Netherlands and Japan.

"If we ever reached 0.7%, we would be the dominant force in all aid...," Natsios said at a briefing for several reporters. That "would be imperial development by the United States. Do you know what 0.7% is? It's \$91 billion. We couldn't spend \$91 billion if we wanted to."

At the Monterrey summit, he said, U.S. President George W. Bush pledged to increase development assistance by 50% by 2006 -a commitment the U.S. achieved three years early in 2003.

In 2000, the United States spent \$10 billion in development assistance, and last year it spent \$19 billion, including \$3.2 billion for Africa. This year, "we should be close to \$24 billion...which means a 140% increase in five years," Natsios said.

"We're increasing our aid budgets by the largest percentage of any of the major donors and we're getting criticized while other governments are cutting their aid budgets," he said.

Britain's Benn said Natsios is right that reform and aid must go hand in hand, and cited recent crackdowns on corruption in Nigeria, South Africa and Zambia and the African Union's "peer review" process to tackle bad governance.

Benn warned that at the present rate of progress, "poverty will not be halved until 2150 -135 years too late." [ 27-06-05 2207GMT ]

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## Russia Plans To Cancel \$2.2B Owed By Poor African Nations

723 words  
29 June 2005  
00:05

### [Dow Jones International News](#)

English  
(c) 2005 Dow Jones & Company, Inc.

UNITED NATIONS (AP)--Russia said it intends to cancel \$2.2 billion owed by the poorest African countries in support of an initiative by the eight major industrialized nations to write off more than \$40 billion of debt.

Russia's U.N. Ambassador **Andrey Denisov** told a U.N. ministerial meeting focusing on ways to increase funding to fight poverty that Moscow wanted "to underline our general support" for the June 11 agreement by finance ministers of the Group of Eight to immediately cancel the debts of 18 poverty-burdened nations.

"This year Russia intends to announce the cancellation of 2.2 billion for the poorest African states on a bilateral basis," Denisov said Tuesday.

Russia is a member of the Group of Eight. Finance Minister Alexei Kudrin indicated after the G8 announcement that Moscow is ready to forgive African debt left over from the Soviet era. In a June 12 interview on state-run Rossiya television, he said Moscow hoped that eliminating some debt, which is unlikely to be paid back in the next decade or two anyway, "would help lift up the economies of these states."

But Denisov's speech was the first to give a figure and a timetable.

The Russian ambassador said that like the G8, Moscow will cancel debts under the Heavily Indebted Poor Countries Initiative, a program launched by the World Bank and International Monetary Fund in 1996 to help nations mainly in Africa escape the poverty-trap.

The G8 deal will initially scrap \$40 billion owed by 18 nations eligible for debt relief under the initiative, known as HIPC, including Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Guyana and Mali. A further nine countries owing \$11 billion are expected to complete the program's targets for good governance within 12 to 18 months and would then qualify.

To meet the good governance standard, the G8 want recipient nations to cut corruption, tackle fraud, free up their economies and liberalize trade.

Denisov said "in absolute terms, Russia is among the leaders in the cancellation of debt of the poorest countries."

But he said Russia believes that debt cancellation alone will not lift countries out of poverty unless they reform financial and budgetary policies, adopt structural reforms, strengthen state institutions, and improve the climate for investment.

Pakistan's U.N. envoy Munir Akram said world leaders attending a U.N. summit in September, which will focus partly on how to reduce extreme poverty by half by 2015, should also endorse

significant debt cancellation for poor non-HIPC countries and more debt relief for heavily indebted middle-income countries.

The two-day ministerial meeting, which ended late Tuesday, focused on commitments made by governments in 2002 at the U.N. summit on financing development in Monterrey, Mexico. Rich nations pledged to increase development aid, cancel debts to the poorest countries, and open the global trading system, while developing countries promised to end corruption and promote good governance and democracy.

European Union nations were lauded for setting timetables to increase aid to 0.7% of their national incomes by 2015. But the Group of 77, which includes 132 mainly developing countries, said that's not enough, and urged all donor countries to meet the target.

The G77 also criticized the failure to reach a breakthrough on trade since Monterrey and expressed hope that a ministerial meeting in Hong Kong in December would finally agree to give poor nations greater market access.

Peter Mandelson, the EU trade commissioner, told a news conference that "if aid is the fuel of economic growth, then trade is its engine," and he said "trade should be put at the service of development."

With next week's G8 summit in Scotland and the U.N. summit and global trade talks to follow, Mandelson said, "We can make 2005 the breakthrough year on poverty reduction."

Pakistan's Akram said developing countries also welcome efforts to find additional "innovative financing" to reduce poverty.

Luxembourg's Development Minister Jean-Louis Schiltz, whose country holds the rotating EU presidency, said the two most promising ideas are a tax on airline tickets and an International Finance Facility that would aim to raise an extra \$50 billion a year by selling bonds on the world's capital markets. [ 29-06-05 0405GMT ]

Document DJI0000020050629e16t00032

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## **Inter Press Service News Agency**

### **DEVELOPMENT:**

**Plant a Tree Today, Save a Dollar Tomorrow**

**Emad Mekay**

*WASHINGTON, JUN 29 (IPS) - PUTTING MONEY INTO PROJECTS THAT CONSERVE THE ENVIRONMENT IS A SMART INVESTMENT THAT COULD LIFT MILLIONS OF PEOPLE AROUND THE WORLD OUT OF POVERTY WHILE GIVING GOVERNMENTS HEALTHY ECONOMIC RETURNS, A NEW STUDY FINDS.*

***"WE HAVE LOOKED AT A RANGE OF INVESTMENTS IN ENVIRONMENTAL MANAGEMENT, AND FOR MOST MEASURES CONCLUDED THAT THEY MAKE ECONOMIC SENSE," SAID OLAV KJORVEN OF THE UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP) WHICH ORDERED THE STUDY.***

***"THE RETURN ON THESE INVESTMENTS, IN TERMS OF POVERTY REDUCTION, HEALTH OR PRODUCTIVITY OF RESOURCES, IS SUBSTANTIAL," HE ADDED IN A STATEMENT.***

***THE FINDINGS ARE PART OF A BROADER STUDY BY THE POVERTY-ENVIRONMENT PARTNERSHIP (PEP), A U.N. PROGRAMME THAT WORKS TO HELP POOR COUNTRIES REACH THE SO-CALLED MILLENNIUM DEVELOPMENT GOALS (MDGS).***

***THE MDGS ARE A SET OF AMBITIOUS DEVELOPMENT TARGETS THAT SEEK TO CUT WORLD POVERTY AND HUNGER IN HALF; PROVIDE UNIVERSAL PRIMARY EDUCATION; REDUCE CHILD MORTALITY BY TWO-THIRDS; CUT MATERNAL MORTALITY BY THREE-QUARTERS; PROMOTE GENDER EQUALITY; AND REVERSE THE SPREAD OF HIV/AIDS, MALARIA AND OTHER DISEASES, ALL BY 2015.***

***THE GOALS WERE AGREED ON AT THE MILLENNIUM SUMMIT IN SEPTEMBER 2000.***

***ENVIRONMENTAL PROJECTS HAVE TRADITIONALLY BEEN SEEN AS SECONDARY TO MORE PRESSING NEEDS LIKE CREATING JOBS AND EXPANDING EXPORTS FROM DEVELOPING NATIONS.***

***BUT THE REPORT GIVES SUPPORT TO THE IDEA THAT A HEALTHY***

**ENVIRONMENT IS NOT A "LUXURY GOOD" THAT POOR COUNTRIES CAN DO WITHOUT, BUT AN ESSENTIAL PART OF STRATEGIES TO REDUCE POVERTY AND FOSTER SUSTAINABLE GROWTH.**

**THE FINDINGS WERE ECHOED BY WILLIAM JACKSON, DIRECTOR OF THE WORLD CONSERVATION UNION (IUCN), WHO TOLD THE U.N. MEETING THAT INVESTING MORE IN THE ENVIRONMENT WILL HELP ACHIEVE ALL THE MDGS.**

**"INVESTING IN ENVIRONMENTAL SUSTAINABILITY, RATHER THAN BEING A 'TAX ON DEVELOPMENT' OR AN 'ADD-ON' TO THE DEVELOPMENT AGENDA, IS AN EFFECTIVE AND EFFICIENT INTERVENTION AND LEVERAGE POINT," JACKSON SAID IN HIS STATEMENT.**

**FOR THIS APPROACH TO WORK, THE REPORT SAYS THAT GOVERNMENTS AROUND THE GLOBE NEED TO GIVE MORE INCENTIVES TO BUSINESSES AND NON-PROFIT ORGANISATIONS TO INVEST IN ENVIRONMENTAL ACTION.**

**THE REPORT SAYS THAT GOVERNMENTS COULD ALLOCATE PART OF THE MORE THAN ONE TRILLION DOLLARS THEY SPEND PER YEAR ON SUBSIDIES FOR THE AGRICULTURE, ENERGY AND WATER SECTORS TO ENVIRONMENTAL CONSERVATION PROJECTS. THE TOTAL AMOUNT OF OFFICIAL AID TO DEVELOPING COUNTRIES IN 2004 WAS ABOUT 79 BILLION DOLLARS.**

**"EVEN IF ONLY 10 PERCENT OF EXISTING SUBSIDIES WERE REDIRECTED TO SUSTAINABLE DEVELOPMENT, WE COULD DOUBLE FINANCE FOR POVERTY REDUCTION, RATHER THAN CONTINUE TO REWARD ENVIRONMENTALLY-HARMFUL PRACTICES," SAID JOSHUA BISHOP, SENIOR ADVISER FOR ECONOMICS AT THE IUCN.**

**THE FINDINGS OF THE POVERTY-ENVIRONMENT PARTNERSHIP ON SUBSIDIES HAS BECOME PARTICULARLY RELEVANT AS FINANCE MINISTERS MET IN NEW YORK FOR THE U.N. HIGH-LEVEL DIALOGUE ON FINANCING FOR DEVELOPMENT JUN. 27-28. THE MEETING DISCUSSED WAYS TO DEVOTE MORE FINANCIAL RESOURCES TO THE MDGS.**

**INDEPENDENT ENVIRONMENTAL GROUPS SAY THAT THEY HAVE**

**SPENT YEARS LOBBYING FOR THIS APPROACH TO BE ADOPTED BY GOVERNMENTS AND INTERNATIONAL INVESTORS.**

**"IN GENERAL, WE AGREE THAT MANY INVESTMENTS IN ENVIRONMENTAL PROTECTION HAVE SIGNIFICANT ECONOMIC RETURNS," SAID AARON GOLDZIMER OF ENVIRONMENTAL DEFENSE, A NEW YORK- BASED ADVOCACY GROUP.**

**"IN MANY CASES, THESE RETURNS ARE PARTICULARLY IMPORTANT FOR THE POOR, WHO OFTEN ARE THE MOST DIRECTLY DEPENDENT ON NATURAL RESOURCES," HE SAID.**

**FOR EXAMPLE, THE REPORT SAYS THAT THE COST OF A 15-YEAR PROJECT TO COMBAT LAND DEGRADATION IS BETWEEN 16 BILLION AND 36 BILLION DOLLARS, BUT CARRIES POTENTIAL BENEFITS OF 53 BILLION DOLLARS IN SAVED AGRICULTURAL PRODUCTION.**

**OTHER BENEFITS INCLUDE IMPROVED FOOD SECURITY, REDUCED LABOUR DEMAND, THUS FREEING MILLIONS OF RURAL CHILDREN TO ATTEND SCHOOL, AND LESS PRESSURE ON ARABLE LAND AND VULNERABLE NATURAL HABITATS.**

**CONTRARY TO THE VIEW OF SOME IN THE BUSINESS COMMUNITY WHO SAY THAT THE COST OF PROTECTED AREAS COULD BE DAUNTINGLY HIGH, NOW AT ABOUT 10 BILLION DOLLARS PER YEAR, THE REPORT SAYS THAT PROTECTED AREAS THROUGH SUSTAINABLE FISHERIES, TOURISM AND COMMODITY PRODUCTION OFFER OPPORTUNITIES TO REDUCE POVERTY.**

**PROTECTED AREAS ALSO PROVIDE AN ESSENTIAL BUFFER OF WILD FOODS AND MEDICINE IN TIMES OF HARDSHIP, THE REPORT FINDS, WHILE THEY COULD BE A CULTURAL TOUCHSTONE OFFERING AESTHETIC AND SPIRITUAL COMFORT TO ALL.**

**"THE BOTTOM LINE IS THAT INVESTING IN THE ENVIRONMENT MAKES ECONOMIC SENSE, ESPECIALLY FOR THE POOR, WHILE THE NECESSARY POLICY, GOVERNANCE AND INSTITUTIONAL CHANGES ARE WITHIN REACH," SAYS THE REPORT.**

**BUT A SOURCE WITH AN ENVIRONMENTAL GROUP WHO WISHED TO REMAIN UNIDENTIFIED SAID THAT DESPITE "SOME INTERESTING FINDINGS" OF THE REPORT, IT WAS NOT CLEAR**

**WHETHER THE RECOMMENDATIONS WOULD BE CONVINCING TO GOVERNMENTS AND INVESTORS.**

**"THESE AGENCIES ARE CONSTANTLY PUTTING OUT REPORTS AND THEY OFTEN DON'T GET READ OR PROMOTED VERY WELL," THE SOURCE SAID, ADDING THAT THIS REPORT MAY BE ONLY SLIGHTLY DIFFERENT BECAUSE IT FOCUSES ON THE MDGS.**

**"THE MDGS DO HAVE AT LEAST A BIT OF WEIGHT BEHIND THEM, AND SINCE IT SOUNDS LIKE THE REPORT IS IN THE CONTEXT OF THE MDGS, MAYBE SOME OF ITS FINDINGS WOULD FIND A LIFE AFTER PUBLICATION," HE SAID. (END/2005)**

**THIS STORY WAS FOUND AT: <http://www.ipsnews.net/news.asp?idnews=29272>**

## **Inter Press Service News Agency**

### **DEVELOPMENT:**

## **US Dragging Feet on Poverty Goals, Groups Charge**

Thalif Deen

*UNITED NATIONS, JUN 30 (IPS) - THE UNITED STATES, WHICH HAS BRUSHED ASIDE INTERNATIONAL TREATIES RELATING TO WAR CRIMINALS AND PRISONERS OF WAR, IS BEING ACCUSED OF CONSISTENTLY RENEGING ON ITS LONGSTANDING COMMITMENTS TO HELP RESOLVE SOME OF THE SOCIAL AND ECONOMIC PROBLEMS OF THE WORLD'S POORER NATIONS.*

**CLEARLY, THERE IS A PATTERN, SAYS EMIRA WOODS, CO-DIRECTOR OF FOREIGN POLICY IN FOCUS AT THE WASHINGTON-BASED INSTITUTE FOR POLICY STUDIES.**

**WOODS IS CHALLENGING AN ASSERTION BY ANDREW NATSIOS, ADMINISTRATOR OF THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), WHO TOLD A HIGH-LEVEL U.N. MEETING ON DEVELOPMENT FINANCING THAT WASHINGTON HAD NEVER AGREED ON DISBURSING 0.7 PERCENT OF ITS GROSS NATIONAL PRODUCT (GNP) AS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO POORER NATIONS.**

**THE UNITED STATES WASN'T COMMITTED TO THAT TARGET, NATSIOS WAS QUOTED AS SAYING, "NO MATTER WHAT WE DO, WE WILL NEVER REACH 0.7 PERCENT."**

**WOODS NOTED THAT THE UNITED STATES WAS PARTY TO A CONSENSUS RESOLUTION GOING BACK TO THE 1960S WHEN THE U.N. GENERAL ASSEMBLY APPROVED THE 0.7 PERCENT TARGET.**

**PERHAPS IN ACKNOWLEDGEMENT OF MOUNTING CRITICISM THAT WASHINGTON'S RHETORIC HAS NOT LIVED UP TO ITS ACTIONS, PRES. GEORGE W. BUSH ANNOUNCED PLANS THURSDAY TO DOUBLE ANNUAL U.S. AID TO AFRICA BY 2010 AND LAUNCH NEW INITIATIVES TO CUT THE NUMBER OF ITS MALARIA DEATHS BY HALF AND BOOST ENROLLMENT, ESPECIALLY OF GIRLS, IN PRIMARY SCHOOLS.**

**A REPORT ISSUED EARLIER THIS WEEK BY THE WASHINGTON-**

**BASED BROOKINGS INSTITUTION FOUND THAT INSTEAD OF A TRIPLING OF U.S. AID TO AFRICA BETWEEN 2000 AND 2005, AS BUSH HAS FREQUENTLY INSISTED, THE ADMINISTRATION HAS INCREASED AID BY ONLY 56 PERCENT IN REAL TERMS.**

**THE LONGSTANDING COMMITMENT OF 0.7 PERCENT GNP HAS BEEN MET BY SEVERAL SCANDINAVIAN COUNTRIES, WOODS POINTED OUT, AND LAST MONTH THE 25-MEMBER EUROPEAN UNION (EU) ESTABLISHED A FIRM TIMETABLE FOR REACHING THIS GOAL.**

**"YET THE (BUSH) ADMINISTRATION PREFERS TO IGNORE OR 'UNSIGN' KEY INTERNATIONAL AGREEMENTS AND PLAY A DANCE WITH WORDS TO AVOID ITS COMMITMENT TO DO THE RIGHT THING," WOODS TOLD IPS.**

**IN MAY 2002, THE BUSH ADMINISTRATION WITHDREW FROM THE ROME TREATY CREATING THE INTERNATIONAL CRIMINAL COURT (ICC) DESPITE THE FACT THAT THE TREATY WAS SIGNED IN DECEMBER 2000 BY THE PREVIOUS ADMINISTRATION OF PRES. BILL CLINTON.**

**AS A RESULT, WASHINGTON CAME UNDER FIRE FOR AN UNPRECEDENTED ACT: WALKING OUT ON A TREATY THE COUNTRY HAD ALREADY SIGNED.**

**BILL PACE OF THE COALITION FOR THE INTERNATIONAL CRIMINAL COURT (CICC) POINTED OUT THAT THE BUSH ADMINISTRATION WAS "WILLING TO HAVE A STRONG TREATY AS LONG AS THE UNITED STATES IS EXEMPT, AND THE UNITED STATES CAN CONTROL THE TREATY."**

**PACE CITED SEVERAL U.S. "PRECEDENTS" IN WITHDRAWING FROM INTERNATIONAL ENVIRONMENTAL TREATIES, DISARMAMENT TREATIES AND CHILDREN'S RIGHTS TREATIES. "ACROSS THE BOARD IT IS ABANDONING MULTILATERALISM," HE ADDED."**

**WERNER FORNOS, PRESIDENT OF THE WASHINGTON-BASED POPULATION INSTITUTE, SAYS THE SAME APPLIES TO U.S. INTERNATIONAL COMMITMENTS ON SOCIAL AND ECONOMIC ISSUES APPROVED AT HIGH-PROFILE U.N. CONFERENCES SINCE THE 1990S.**

**"THE BUSH ADMINISTRATION IS BACKING OUT OF VIRTUALLY EVERY COMMITMENT MADE BY PREVIOUS ADMINISTRATIONS -- INCLUDING THE CAIRO PROGRAMME OF ACTION ON POPULATION AND DEVELOPMENT, THE BEIJING WOMEN'S CONFERENCE, THE COPENHAGEN SOCIAL SUMMIT TO ELIMINATE POVERTY, AND THE COMMITMENT OF 0.7 PERCENT OF GROSS NATIONAL PRODUCT TO ODA," FORNOS TOLD IPS.**

**"THIS IS A CLEAR INDICATION OF THE ADMINISTRATION'S ARROGANT AND REPREHENSIBLE POLICY OF 'YOU-GO-WITH-US-OR WE-GO-ALONE'. IT PRETENDS TO PROMOTE DEMOCRACY WHILE ACTUALLY PURSUING A DELUSIONAL AGENDA OF GLOBAL DICTATORSHIP FAVOURING BULLETS AND BOMBS RATHER THAN RATIONAL COMPASSION AND RECONCILIATION," HE ADDED.**

**WOODS SAID THAT THE BUSH ADMINISTRATION HAS ALSO BEEN DRAGGING ITS FEET OVER THE MILLENNIUM DEVELOPMENT GOALS (MDGS) WHICH IT IS A PARTY TO, AFTER HAVING VOTED FOR IT AT THE MILLENNIUM SUMMIT IN SEPTEMBER 2000.**

**"AT THE INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT HELD IN MONTERREY, MEXICO IN 2002, AND AT EVERY OPPORTUNITY SINCE, THE BUSH ADMINISTRATION HAS PAINSTAKINGLY AVOIDED THE TERM 'MILLENNIUM DEVELOPMENT GOALS'," SHE ADDED.**

**ACCORDING TO THE BUSH ADMINISTRATION, THE UNITED STATES DID NOT AGREE TO THE GOALS, WOODS SAID, WHICH INCLUDES THE REDUCTION OF POVERTY AND HUNGER AND THE ACHIEVEMENT OF UNIVERSAL PRIMARY EDUCATION, AMONG OTHERS.**

**"SOMEHOW THEY SKIP OVER THE FACT THAT THE UNITED STATES WAS ONE OF THE 189 COUNTRIES THAT SIGNED THE MILLENNIUM DECLARATION IN 2000 COMMITTING TO HALVING GLOBAL POVERTY BY 2015," WOODS SAID.**

**ALL THIS BECAUSE THE UNITED STATES REFUSES TO RECOGNISE ITS AGREEMENT DATING BACK TO THE 1960'S TO COMMIT A PORTION OF ITS NATIONAL BUDGET TO DEVELOPMENT ASSISTANCE, SHE ADDED.**

**"THE BUSH ADMINISTRATION HAS REPEATEDLY SAID THAT CARVING OUT A PORTION OF THE NATIONAL BUDGET IS OUTDATED AND IRRELEVANT. SOMEHOW WHEN IT COMES TO DEFENCE SPENDING, PROPORTIONING OUT A PERCENTAGE OF THE NATIONAL BUDGET SEEMS FINE FOR THE ADMINISTRATION, YET WHEN IT COMES TO DEVELOPMENT DOLLARS, THE SAME COMMITMENT OF CONCRETE PORTIONS OF THE BUDGET IS DEEMED OUTMODED AND UNDOABLE," WOODS ARGUED.**

**WHEN THE TARGET WAS ANNOUNCED IN THE 1960S, THE UNITED STATES GAVE 0.58 PERCENT OF ITS GNP. TODAY, EVEN WITH THE ILL-FATED MILLENNIUM CHALLENGE ACCOUNT (MCA), THE UNITED STATES REMAINS THE LEAST GENEROUS OF ALL DONORS, GIVING ONLY 0.13 PERCENT OF ITS WEALTH.**

**THE BUSH ADMINISTRATION CREATED THE MCA IN 2004 IN AN ATTEMPT TO DISBURSE AID MONEY TO COUNTRIES "THAT GOVERN JUSTLY, INVEST IN THEIR PEOPLE AND MAINTAIN POLICIES AND INSTITUTIONS THAT SUPPORT MARKET-LED GROWTH."**

**EVEN THOUGH 17 COUNTRIES WERE SELECTED AS ELIGIBLE TO RECEIVE MCA ASSISTANCE IN 2004-2005, WASHINGTON HAS SO FAR SIGNED COMPACTS WITH ONLY FOUR COUNTRIES: MADAGASCAR, NICARAGUA, CAPE VERDE AND HONDURAS.**

**WOODS SAID THAT UNLESS THE BUSH ADMINISTRATION MAKES A REAL COMMITMENT TO PROVIDE MORE DEVELOPMENT FINANCING TO IMPOVERISHED COUNTRIES AND CREATE AN ENABLING ENVIRONMENT FOR LONG-TERM SUSTAINABLE DEVELOPMENT, THE UNITED STATES WILL REMAIN THE LEAST GENEROUS OF ALL THE DONOR COUNTRIES.**

**"SURELY IN THE AFTERMATH OF THE IRAQ DEBACLE, COMMITTING JUST SEVEN CENTS OUT OF EVERY DOLLAR, INSTEAD OF A MISERLY ONE CENT, CAN GO A LONG WAY TO ASSURING THE GLOBAL COMMUNITY THAT THE U.S. CAN BE A GOOD GLOBAL NEIGHBOUR," SHE SAID.**

**WHEN ALL IS SAID AND DONE, WOODS SAID, 0.7 PERCENT OR 25 BILLION DOLLARS IS THE AMOUNT SPENT IN IRAQ EVERY 4-5 MONTHS.**



**"THE ADMINISTRATION IS PLAYING A DANGEROUS SHELL GAME -- REFUSING TO MAKE REAL COMMITMENTS TO TACKLING GLOBAL POVERTY, EVEN IN AN AGE OF UNPRECEDENTED PROSPERITY," WOODS ADDED. (END/2005)**

**THIS STORY WAS FOUND AT: <http://www.ipsnews.net/news.asp?idnews=29293>**

U.S.

## Aid Chief Says U.S. Has Doubled Funds

By EDITH M. LEDERER

The Associated Press

Monday, June 27, 2005; 7:27 PM

UNITED NATIONS -- U.S. aid to developing countries has more than doubled since 2000, but there should be greater focus on making sure the aid is used to further reform, the U.S. aid chief said Monday.

"I think the wrong message is that it's money and only money that's going to make the difference," Andrew Natsios said at a two-day U.N. ministerial meeting.

Wealthy donor countries need to pay greater attention to the other half of the bargain reached at a 2002 summit in Monterrey, Mexico, which called for developing countries to end corruption and promote good governance, the rule of law, peace and democracy, he said.

"If we don't do that, we can spend all the money we want to and it will not have the desired effect," said Natsios, who heads the U.S. Agency for International Development. "So what we're trying to do is make aid an instrument for the reformers in governments in the developing world, and that's beginning to ... have an effect."

The plight of the more than 2 billion people living on less than \$2 a day will be discussed at the July 6-8 summit of the Group of Eight richest nations and at the U.N. summit in September. Secretary-General Kofi Annan wants world leaders to decide how to halve extreme poverty by 2015.

In a keynote address, Annan said "never, perhaps, have a few weeks mattered so much for the world's poor."

Since the 1960s, the United Nations has called for rich countries to increase aid to 0.7 percent of their national incomes. All 25 European Union nations have recently pledged to reach that target by 2015.

Natsios said the United States never agreed to spend 0.7 percent "and doesn't agree to now."

What counts, he said, is that the United States is increasing aid while countries that aren't yet at 0.7 percent cut their aid budgets last year, including Germany, the Netherlands and Japan.

"If we ever reached 0.7 percent, we would be the dominant force in all aid," Natsios said at a briefing for several reporters. "Do you know what 0.7 percent is? It's \$91 billion. We couldn't spend \$91 billion if we wanted to."

## ***defends aid, rejects theory of 'magic numbers'***

By Betsy Pisik

THE WASHINGTON TIMES

Published June 28, 2005

NEW YORK -- USAID Administrator Andrew Natsios yesterday vigorously defended U.S. development assistance to poor countries, telling an international forum that Washington is already the most generous of nations.

Mr. Natsios also said the United States has no intention of meeting global standards for official development assistance (ODA), currently 0.7 percent of gross domestic product and one measure by which Washington falls far short of other major donors. "We do not believe that there are any magic numbers for achieving our mutual goals," he told government ministers and diplomats at a two-day U.N. conference on financing for development.

"There is ample evidence that ODA is not generally the limiting factor on nations' development," Mr. Natsios added. "Development progress is first and foremost a function of country commitment and political will to rule justly, promote economic freedom and invest in people."

Earlier in the day, Mr. Natsios told reporters that "no matter what we do, we will never reach 0.7 percent," a figure that could exceed \$90 billion annually.

"We couldn't spend \$91 billion if we wanted to," he said, adding that the U.S. government had never agreed to the 0.7 percent target, and wasn't bound by it.

Washington has nearly doubled its ODA in the last five years, the chief of the U.S. Agency for International Development said, spending \$19.5 billion in 2004, up from \$10 billion in 2000.

However, U.S. aid totals just 0.16 percent of GDP -- a far smaller share, proportionally, than most Western European governments spend.

Just last month, European Union members committed to reaching the 0.7 percent figure by 2015, and half that by 2010.

The disparity has generated a steady stream of criticism from European nations and development officials, who say the United States should both give more freely and commit to sustained assistance levels.

"I appeal to those industrialized countries that have not yet adopted such a step-by-step plan and timetable to follow the example of the European Union," German Economic Cooperation and Development Minister Heidmarie Wieczorek-Zeul said yesterday.

Three years ago, President Bush and other world leaders gathered in Monterrey, Mexico, pledging to help the world's poorest, including the 2 billion people who survive on less than a dollar a day.

That conference produced a compact: Industrialized countries promised debt relief, access to markets and increased assistance, while developing countries agreed to improve the climate for local business and make their countries more attractive to foreign donors and investors.

Development assistance has gained a new urgency, topping the agenda at international forums and attracting public attention in the wake of devastating natural disasters, the AIDS crisis and continuing political instability.

The British government has made aid to Africa the theme of the upcoming G-8 summit, and has recently convinced the leaders of the world's eight leading industrial democracies to forgive much of Africa's foreign debt.

Sustained development assistance for the world's most desperately poor people is one of the four planks of the September summit at the United Nations.

"Until very recently, the poor and vulnerable have had to settle for too many small steps ... when what they hoped for were bold and meaningful advances," U.N. Secretary-General Kofi Annan said yesterday. "Today, we can and must do better."

The millennium development goals (MDGs) were developed by the United Nations five years ago to target the most crushing manifestations of poverty: illiteracy, hunger, and lack of access to sanitation, potable water and communications.

Mr. Natsios said yesterday that the MDGs will likely remain unrealized, citing African leadership as one of the reasons.

"I have to say, I'm not sure, even with all these aid increases, we're going to meet the millennium challenge goals," Mr. Natsios said here yesterday morning.

This story was found at:

<http://www.wpherald.com/storyview.php?StoryID=20050628-110638-3829r>

## **U.N. Officials Grapple With How To Help Poorer Nations**

BY BENNY AVNI - Staff Reporter of the Sun  
June 28, 2005

UNITED NATIONS - The continental divide over how to help poorer nations was highly visible yesterday at a Turtle Bay summit of finance ministers and international aid officials, where ideas such as imposing what wary Americans see as a tariff on airline travelers were gaining steam.

Speaker after speaker at yesterday's General Assembly meeting talked about increasing the funding wealthy nations dedicate to foreign aid. America, in turn, insisted that poorer nations must do their part by reforming their governments.

<http://www.nysun.com/article/16183>

## US Defends Aid Policies, Demands Reforms

By Peter Heinlein

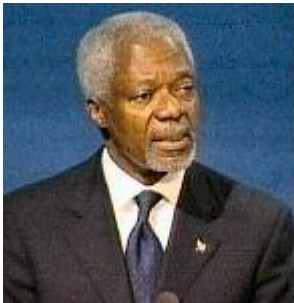
United Nations

28 June 2005

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*The top U.S. aid official has told the United Nations Washington is more than doubling development assistance at a time when other major donors are cutting back. VOA's Peter Heinlein has details of a high-level U.N. conference on financing global development.*



**Kofi Annan (File photo)**

Secretary-General Kofi Annan opened the two-day gathering on a note of optimism. Calling this a period of extraordinary promise, Mr. Annan told the ministers of finance and development from more than 100 countries they could be on the brink of making poverty history.

"Many years of hard work have brought us to the threshold of a breakthrough in our pursuit of development and human dignity," Mr. Annan says.

Mr. Annan urged wealthy nations to reward good governance among developing countries with more aid, including a doubling of official development assistance, or ODA, to Africa.

But the top aid official from the United States, the largest single donor, took issue with Mr. Annan's prescription. In a sharply-worded speech, U.S. Agency for International Development Administrator Andrew Natsios warned against reducing the fight against poverty to a check-writing exercise simply to meet the UN Millennium goals for cutting poverty in half by the year 20-15.

"We recognize that the volumes of aid and other development resources must increase significantly," Mr. Natsios says. "But if we are to continue the recent increases in ODA and assure that the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results."



**Andrew Natsios**

Mr. Natsios noted that the United States has boosted its aid budget beyond the 50 percent increase President Bush promised at the 2002 Monterey Conference. He said U.S. assistance has nearly doubled since 2000, and now stands at 25 percent of all aid given by developed countries.

He predicted this year's total would reach \$24 billion, or a 140 percent increase, in five years.

But Mr. Natsios cautioned that the amounts of aid given usually have little effect on a country's development. In many cases, he said, corruption and weak legal protections are the main factors in preventing economic growth.

"There is no point in debating whether ODA should be \$68-billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place," Mr. Natsios says.

Scores of speakers at the conference joined Secretary-General Annan in calling on wealthy countries to pledge point-seven percent of national income for development assistance. Many implicitly criticized the United States, which falls far short of the target.

But in comments to reporters, Mr. Natsios rejected those criticisms, saying Washington had increased its budget the most among major donors in recent years, while other countries, including Germany, Japan and the Netherlands, have cut theirs.

He said meeting the point-seven target would mean more than quadrupling the aid budget to \$91-billion a year. He added "We couldn't spend that much even if we wanted to."

This story was found at: <http://www.voanews.com/english/2005-06-28-voa2.cfm>



## UN's Annan Urges Rich & Poor Countries to End Poverty

*"After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity."*

Posted: Tuesday, June 28 , 2005, 10:37 (UK)



United Nations Secretary General Kofi Annan urged developed nations to 'close the deal' on poverty eradication as he opened a high-level meeting on global development financing.(AFP/Timothy A. Clary)

On 27th June 2005 UN Secretary-General Kofi Annan called on rich countries to provide the funding for poor nations, describing this era as the time when "after many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity."

During the General Assembly High-Level Dialogue on Financing for Development held in New York yesterday, he remarked that there is a real hope as "many developing countries have succeeded in lifting millions of people out of impoverishment and despair."

Annan praised the international community for the banding together in a sustained, and unprecedented effort to solve the world's poverty.

The Assembly gathered finance ministers to discuss the stage of implementation of the Monterrey Consensus that is the international agreement adopted by world leaders in 2002.

The Monterrey meeting, brought "rich and poor countries together in partnership," said Annan since the developed nations agreed to a new bargain with the developing nations in order to meet UN Millennium Development Goals (MDGs). The MDGs aim to halve the world's poverty, stop the spread of HIV/AIDS and provide primary education across the world's poorest nations, and all of these to be met by 2015.

"The Millennium Development Goals have become a rallying point of unparalleled scope - the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged," Mr. Annan said.

The Assembly is taking place just 12 days before the G8 summit in Scotland and less than 12 weeks before the 2005

World Summit of the UN, where the MDGs will be reviewed. Mr. Annan views this as challenge: "The question now is, whether we can close the deal."

Developing countries, struggling with poverty, hunger and disease mainly in Africa, are this year's main focus at the G8 summit. Aid and development programs, all dependant on funding from developed economies, are facing financial difficulties, as the budget shortfall grows.

In this context, Mr. Annan praised the decision of G8 finance ministers taken earlier this month to clear off the debt of 18 developing countries and the agreement of European Union leaders to set up a clear timetable of achieving the 0.7% target for official development assistance (ODA).

"This will offer a chance to finally overcome the resource shortfalls that have kept so many millions of people mired in squalor," he said.

Annan concluded, "Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda. Rich and poor alike must do their part. Responsibility flows both ways."

Anna Lisa  
anna@christiantoday.com

This story was found at:

<http://www.christiantoday.com/news/society/UN.annan.urg.es.rich.and.poor.countries.to.end.poverty/327.htm>

## ***Pre-G8 development assessment at U.N.***

By William M. Reilly

UPI United Nations Correspondent

Published June 28, 2005

UNITED NATIONS -- Finance ministers and similar high-ranking officials or their representatives have been taking the pulse of progress in the U.N. General Assembly following the 2002 international development summit in Monterrey, Mexico, and on the threshold of the Group of Eight Summit in Gleneagles, Scotland, July 6 -8.

U.N. Secretary-General Kofi Annan told the ranking government officials and representatives from such international institutions as the World Bank, International Monetary Fund and World Trade Organization -- the same combination that worked out the Monterrey accord -- were about to reach a breakthrough in the pursuit of development and human dignity.

Monday and Tuesday officials discussed international trade as an engine for development, and mobilizing domestic financial resources for development.

In Monterrey, developed nations agreed with the world's developing nations the donors would increase aid spending and the world's poor nations would carry out economic and political reforms to ensure development assistance money gets spent effectively, chiefly toward meeting the U.N. Millennium Development Goals.

The MDGs range from halving extreme poverty, to halting the spread of HIV/AIDS and to providing universal primary education, all by 2015.

"The MDGs have become a rallying point of unparalleled scope - the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged," Annan said at the outset of the meeting.

"The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the secretary-general, referring to the group of eight most industrialized nations in Gleneagles and the assembly's upcoming September summit to review the MDGs and make decisions on U.N. reform.

Annan called the decision earlier this month by the G8 finance ministers to write off debt of some developing countries "very encouraging," and noted the European Union had agreed to a clear timetable for reaching the 0.7 percent of gross domestic product target for official development assistance by 2015.

"This will offer a chance to finally overcome the resource shortfalls that have kept so many millions of people mired in squalor," he said. "Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda. Rich and poor alike must do their part. Responsibility flows both ways."

Annan said it was not long ago many had feared development in the world's poorest countries could become a lost cause, with some stating extreme poverty was a sad but inescapable aspect of the human condition.

But that view was now seen as intellectually indefensible and morally untenable, and it was widely recognized poverty must and could be defeated.

Many developing countries had succeeded in lifting millions of people out of impoverishment and despair, and the international community had banded together in a sustained, unprecedented effort.

General Assembly President Jean Ping of Gabon said the Monterrey conference reflected the international community's growing awareness about the complex development issues and the lack of financial resources in poor countries.

Looking ahead to the upcoming U.N. summit, Ping said it was essential to ensure the monetary system was more consistent and cohesive to enable developing countries to reform and to mobilize national resources.

The U.N.'s High-level Dialogue on Financing for Development offered an opportunity for governments to consolidate or add to the development package that was being assembled internationally in support of the MDGs.

Jamaica Minister of State Delano Franklyn, speaking on behalf of the Group of 77 developing countries and China -- now a coalition of more than 130 nations -- said "all reports, reviews, analyses and consultations on development" since Monterrey leads to the conclusion: "The international community is far short of mobilizing the level of resources required to finance the level of development envisaged in the development-oriented summits and conferences, including the Millennium Summit. An unprecedented, multidimensional coherent thrust will be needed."

Hilary Benn, Britain's secretary of state for international development, said several Millennium Goals would be reached far too late.

"Primary education for all will not be achieved until 2130 -- 115 years too late; poverty will not be halved until 2150 -- 135 years too late; and we will not defeat avoidable infant diseases until 2165 -- 150 years too late," he said.

Said Benn, "Those who die today, are ill today, don't go to school today and are poor today cannot wait that long, and to help, we must provide more and better aid, debt relief and fairer trade."

But, he said progress was being made, with five of the EU 25 countries having already reached the GDP goal.

France's Minister of the Economy, Finance and Industry, Thierry Breton, said his nation, Brazil, Chile and Germany were calling for the rapid implementation of a pilot "solidarity levy based on airline tickets."

Subject to the sovereignty of participating countries, the levy could be earmarked to finance the most urgent human development programs, such as vaccination campaigns and the pooled purchase of HIV/AIDS treatments.

"In order to ensure a fair mechanism, the level of this levy could be different for different classes of travel or even reflect a country's wealth and a distinction could be made between domestic and international flights," Breton said, giving as examples a charge of about \$6 in economy class per passenger or a charge of about \$24 in business class.

He said it could generate about \$12 billion a year, "almost one-quarter of the estimated funding shortfall for the MDGs."

The air travel sector was being targeted because it benefited considerably from globalization, paid low tax rates and "because air passengers are rarely among the poorest or our citizens."

Andrew Natsios, administrator of the U.S. Agency for International Development seemed to excuse Washington's rate of about 0.17 of GDP for ODA, by pointing out

there was another part to the Monterrey bargain that was not being met, developing countries putting to an end corruption through good governance.

Still, he said, the United States, which promised at Monterrey to increase ODA 50 percent by 2006, "achieved that level three years early. In 2004, U.S. assistance totaled more than \$19 billion."

<http://www.wpherald.com/storyview.php?StoryID=20050628-044149-2987r>

## STATEMENT BY USAID ADMINISTRATOR NATSIOS ON FINANCING FOR DEVELOPMENT

1,039 words  
27 June 2005

[States News Service](#)

English  
(c) 2005 States News Service

The following information was released by the U.S. Mission to the United Nations:

Thank you, Mr. President.

Today, three years after the UN Conference on **Financing for Development**, its outcome - the Monterrey Consensus - has become the definitive framework for successful development. Developing countries and donors alike have embraced its emphasis on good governance and domestic ownership of development strategies, while trade and private investment are widely recognized as essential.

In setting out the principles of the New Partnership for African Development (NEPAD), African leaders are linking poverty eradication, sustainable growth, global integration, and good governance. We, in the United States, are enthusiastic about NEPAD and are providing support to the initiative.

For its part, the United States has increased Official Development Assistance even beyond President Bush's Monterrey pledge - U.S. assistance increased from \$10 billion in 2000 to \$19 billion in 2004 - a quarter of the OECD total.

However, these ODA increases must be matched by increases in effectiveness and sustainability. Achieving the goals of the Millennium Declaration is not just about the mobilization of resources alone.

Countries that have proven their commitment to change and reform - that govern justly, invest in their people and maintain policies and institutions that support market-led growth will receive billions of dollars from the Millennium Challenge Corporation of the United States Government in coming years.

Too often, humanitarian relief has been separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. In Africa - which has more fragile or vulnerable states than any other region - we must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult.

To assist states in crisis and conflict return to stability and get on the path to sustained growth, President Bush recently announced that we will provide an additional \$674 million for humanitarian emergencies in Africa this year in partnership with the United Kingdom -- beyond the approximately \$1.4 billion already committed.

By joining with socially-responsible private sector partners in our Global Development Alliance, USAID since 2002 has invested \$1 billion in 290 public-private alliances in 98 countries - and thus leveraged more than \$3.7 billion in total partner resources.

As a founder and largest donor of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the United States Government provided \$459 million to the Fund in 2004. The U.S. contribution for HIV/AIDS programs totaled more than \$2.8 billion in the current fiscal year. In

addition, we provide approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk.

The United States leads the world in liberalizing trade and helping countries participate in negotiations, obtain commitments, and benefit from trade. The completion of the Doha Round, to which the U.S. is committed, could add \$200 billion annually to developing countries' income and lift more than 500 million people out of poverty.

The U.S. and other G-8 countries have called for 100 percent cancellation of debt obligations owed to the World Bank, the African Development Bank, and the International Monetary Fund which will result in approximately \$40 billion in immediate debt relief - and could reach more than \$56 billion if all Heavily Indebted Poor Countries become eligible.

We recognize that the volumes of aid and other development resources must increase significantly. But if we are to continue the recent increases in ODA and assure the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results.

There is ample evidence that ODA is not usually the limiting factor on national development. Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people.

The Report of the UN Commission on the Private Sector and Development estimates that developing countries have \$9.4 trillion dollars in private financial assets that cannot be fully mobilized for development, largely because of corruption and inadequate legal protections for property and contracts.

Competitive, well-regulated private markets are indispensable because they are the most effective institution ever devised for allocating resources efficiently, for fostering innovation, and for communicating information that helps consumers and producers make decisions. Regulatory frameworks should aim to build the public's confidence in private markets to protect property, enforce contracts, and generally respect the rule of law.

According to a World Bank study, in one developing country, it takes 203 days to register a business, while in yet another country, enforcing a contract takes 1,459 days. With barriers to business formation and entrepreneurship like this, businesses remain small and in the informal sector. There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place.

A significant way that the UN can support development is by helping countries make and implement the right choices in governing well. The UN is well placed to offer such assistance, for example, through providing a forum for south-south peer reviews and showcasing progress on nations' efforts to strengthen the rule of law, govern justly, end corruption, strengthen the financial sector, attract businesses to the formal sector, and open up trade. Policy reforms such as these should be at the heart of the UN's development activities.

Mr. President, ending poverty is a serious challenge. Building effective and equitable economic institutions takes time, persistence, and reform. Policies must be put in place to safeguard the most vulnerable members of society. The good news is that many countries have already blazed a trail and that the United States and the international community will help those prepared to help themselves. With the right choices, we have a good chance of reaching the goals we set for ourselves at Monterrey and in the Millennium Declaration.

Thank you.

06/29/05 02:40:13



## **RELIEF, DEVELOPMENT AID FOR AFRICA LINKED, USAID'S NATSIOS SAYS**

1,610 words  
28 June 2005

[States News Service](#)

English

(c) 2005 States News Service

The following information was released by the State Department:

Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk," U.S. Agency for International Development (USAID) Administrator Andrew Natsios told the United Nations in New York June 27.

Natsios pointed out that humanitarian relief is often separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. But, he said, We must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult.

To that end, President Bush recently announced an additional \$674 million for humanitarian emergencies in Africa in 2005 -- beyond the approximately \$1.4 billion already committed, Natsios said.

The USAID administrator spoke at a ministerial-level meeting on **financing for development**. The two-day session was a follow-up to the historic 2002 development summit in Monterrey, Mexico, that brokered a partnership against poverty. It aimed to give governments an opportunity to consolidate or add to their development packages in support of the U.N. Millennium Development Goals and is a precursor to the Group of Eight (or G8, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia) meeting July 6-8 and to the United Nations' 60th Anniversary Summit in September. (See related article.)

The United States, he said, has also been the leading contributor to health issues for Africa both through the Global Fund for Fighting HIV/AIDS, Tuberculosis and Malaria and the President's Emergency Plan for AIDS Relief. The Bush administration's five-year, \$15 billion emergency plan, announced in 2003, is providing funds to fight the pandemic, with a special focus on 15 hardest-hit countries.

But the way forward is economic development, and the United States has been instrumental in helping countries participate in trade negotiations, obtain commitments and benefit from trade, Natsios said.

The United States is "enthusiastic" about the New Partnership for African Development's (NEPAD) goal of linking poverty eradication, sustainable growth, global integration, and good governance, and it is providing support to the initiative, he said. The partnership "is a strategic framework for Africa's renewal" led by the African Union is working to eradicate poverty, advance sustainable growth, enhance Africa's integration in the global economy and accelerate the empowerment of women.

As countries prove their commitment to change and reform, to govern justly, invest in their people and maintain policies and institutions that support market-led growth, they will be eligible to receive billions of dollars from the U.S. Millennium Challenge Corporation (MCC) in coming years, Natsios said.

The MCC administers the Millennium Challenge Account, a supplementary aid program launched by President Bush to reward poor nations that invest in the education and health care of their citizens, fight corruption and promote good governance.

For additional information on U.S. development assistance, see Millennium Challenge Account.

Following is the text of the Natsios' statement:

(begin text)

U.S. Agency for International Development

Statement by Andrew Natsios Administrator, U.S. Agency for International Development At the United Nations High Level Dialogue on **Financing For Development**

New York, NY

Monday, June 27, 2005

MR. NATSIOS: Thank you, Mr. President.

Today, three years after the U.N. Conference on **Financing for Development**, its outcome -- the Monterrey Consensus -- has become the definitive framework for successful development. Developing countries and donors alike have embraced its emphasis on good governance and domestic ownership of development strategies, while trade and private investment are widely recognized as essential.

In setting out the principles of the New Partnership for African Development (NEPAD), African leaders are linking poverty eradication, sustainable growth, global integration, and good governance. We, in the United States, are enthusiastic about NEPAD and are providing support to the initiative.

For its part, the United States has increased Official Development Assistance even beyond President Bush's Monterrey pledge -- U.S. assistance increased from \$10 billion in 2000 to \$19 billion in 2004 -- a quarter of the OECD total.

However, these ODA increases must be matched by increases in effectiveness and sustainability. Achieving the goals of the Millennium Declaration is not just about the mobilization of resources alone.

Countries that have proven their commitment to change and reform -- that govern justly, invest in their people and maintain policies and institutions that support market-led growth will receive billions of dollars from the Millennium Challenge Corporation of the United States Government in coming years.

Too often, humanitarian relief has been separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. In Africa -- which has more fragile or vulnerable states than any other region -- we must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult.

To assist states in crisis and conflict return to stability and get on the path to sustained growth, President Bush recently announced that we will provide an additional \$674 million for humanitarian emergencies in Africa this year in partnership with the United Kingdom -- beyond the approximately \$1.4 billion already committed.

By joining with socially responsible private sector partners in our Global Development Alliance, USAID since 2002 has invested \$1 billion in 290 public-private alliances in 98 countries -- and thus leveraged more than \$3.7 billion in total partner resources.

As a founder and largest donor of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the United States Government provided \$459 million to the Fund in 2004. The U.S. contribution for HIV/AIDS programs totaled more than \$2.8 billion in the current fiscal year. In addition, we provide approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk.

The United States leads the world in liberalizing trade and helping countries participate in negotiations, obtain commitments, and benefit from trade. The completion of the Doha Round, to which the U.S. is committed, could add \$200 billion annually to developing countries' income and lift more than 500 million people out of poverty.

The U.S. and other G-8 countries have called for 100 percent cancellation of debt obligations owed to the World Bank, the African Development Bank, and the International Monetary Fund which will result in approximately \$40 billion in immediate debt relief - and could reach more than \$56 billion if all Heavily Indebted Poor Countries become eligible.

We recognize that the volumes of aid and other development resources must increase significantly. But if we are to continue the recent increases in ODA and assure the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results.

There is ample evidence that ODA is not usually the limiting factor on national development. Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people.

The Report of the U.N. Commission on the Private Sector and Development estimates that developing countries have \$9.4 trillion dollars in private financial assets that cannot be fully mobilized for development, largely because of corruption and inadequate legal protections for property and contracts.

Competitive, well-regulated private markets are indispensable because they are the most effective institution ever devised for allocating resources efficiently, for fostering innovation, and for communicating information that helps consumers and producers make decisions. Regulatory frameworks should aim to build the public's confidence in private markets to protect property, enforce contracts, and generally respect the rule of law.

According to a World Bank study, in one developing country, it takes 203 days to register a business, while in yet another country, enforcing a contract takes 1,459 days. With barriers to business formation and entrepreneurship like this, businesses remain small and in the informal sector. There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place.

A significant way that the U.N. can support development is by helping countries make and implement the right choices in governing well. The U.N. is well placed to offer such assistance, for example, through providing a forum for south-south peer reviews and showcasing progress on nations' efforts to strengthen the rule of law, govern justly, end corruption, strengthen the financial sector, attract businesses to the formal sector, and open up trade. Policy reforms such as these should be at the heart of the UN's development activities.

Mr. President, ending poverty is a serious challenge. Building effective and equitable economic institutions takes time, persistence, and reform. Policies must be put in place to safeguard the most vulnerable members of society. The good news is that many countries have already blazed a trail and that the United States and the international community will help those prepared to help themselves. With the right choices, we have a good chance of reaching the goals we set for ourselves at Monterrey and in the Millennium Declaration.

Thank you.

# US Fed News

## DEVELOPMENT REQUIRES AID PLUS GOOD GOVERNANCE, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT CHIEF SAYS

772 words  
27 June 2005

[US Fed News](#)

English

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UNITED NATIONS, June 27 -- The U.S. Department of State's International Information Programs issued the following press release:

By Judy Aita Washington File United Nations Correspondent

Supporting growth and eradicating poverty in developing countries is not only about monetary contributions, but also requires a combination of resource mobilization, trade and investment, and good governance, the top U.S. foreign aid official said June 27.

The United States does not believe that there are any magic aid numbers for achieving successful development and sustained improvements in the quality of life, Andrew Natsios, administrator of the U.S. Agency for International Development (USAID), told a special meeting of the U.N. General Assembly. "Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people."

Natsios spoke at a ministerial-level meeting on **financing for development**. The two-day session was a follow-up to the historic 2002 development summit in Monterrey, Mexico, that brokered a partnership against poverty. It aimed to give governments an opportunity to consolidate or add to their development packages in support of the U.N. Millennium Development Goals and is a precursor to the Group of Eight (or G8, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia) meeting July 6-8 and to the United Nations' 60th Anniversary Summit in September.

The United States recognizes that the volume of aid and other development resources must increase significantly, Natsios said. "But if we are to continue the recent increases in ODA [Official Development Assistance] and assure that the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability, and results."

He said a report of the U.N. Commission on the Private Sector and Development "estimates that developing countries have \$9.4 trillion dollars in private assets that cannot be fully mobilized, largely because of corruption and inadequate legal protections for property and contracts."

In one developing country, he said, it takes 203 days to register a business, while in another, enforcing a contract takes 1,459 days. Such barriers to entrepreneurship keep businesses small and informal.

"There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place," Natsios said.

Natsios said that the United States has increased official development assistance beyond the pledge President Bush made in Monterrey. U.S. aid has risen from \$10 billion in 2000 to more than \$19 billion in 2004, with a quarter of the total supplied by members of the Organization for Economic Cooperation and Development (OECD). The United States also provides approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Joining with socially responsible private-sector companies, USAID has invested \$1 billion in 290 public-private alliances in 98 countries since 2002, thus leveraging more than \$3 billion in partner resources, he said. Countries that govern justly, invest in their people and support market led growth will receive billions of dollars from the U.S. Millennium Challenge Corporation (MCC) in coming years, he said.

The MCC administers the Millennium Challenge Account, a supplementary aid program launched by President Bush to reward poor nations that invest in the education and health care of their citizens, fight corruption and promote good governance.

The USAID administrator also praised the New Partnership for African Development, saying the United States is an "enthusiastic supporter." The partnership - a strategic framework for "Africa's renewal" - led by the African Union aims to address challenges facing the African continent and work to eradicate poverty, advance sustainable growth, enhance Africa's integration in the global economy and accelerate the empowerment of women.

In the plan, he said, "African leaders are linking poverty eradication, sustainable growth, global economic integration, and good governance."

Secretary-General Kofi Annan told the assembly that recent announcements on debt relief and increases in ODA along with years of hard work "have brought us to the threshold of a breakthrough in our pursuit of development and human dignity."

There is hope today because "many developing countries have succeeded in lifting millions of people out of impoverishment and despair. And there is real momentum because the international community has banded together in a sustained and unprecedented effort," Annan said.

For additional information on U.S. development assistance, see Millennium Challenge Account at [http://usinfo.state.gov/ei/economic\\_issues/mca.html](http://usinfo.state.gov/ei/economic_issues/mca.html)

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# US Fed News

## **WORLD COMMUNITY MUST HONOUR - EVEN GO BEYOND – COMMITMENTS ON TRADE, DEBT, FINANCE TO ACHIEVE ANTI-POVERTY GOALS, GENERAL ASSEMBLY TOLD**

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English

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UNITED NATIONS, June 28 -- The United Nations issued the following press release:

The international community must honour, and even go beyond, its commitments on trade and debt relief, and increase official development assistance (ODA) if the Millennium Development Goals were to be achieved, General Assembly President Jean Ping (Gabon) said this afternoon, as that body concluded its High-level Dialogue on **Financing for Development**.

Summarizing the statements of delegates during the two-day meeting, Mr. Ping stressed the importance of successfully completing the World Trade Organization's Doha round of trade negotiations, noting the importance of trade for growth, development and the fight against poverty. As for ODA, the recent example set by the European Union to lay down a timetable for reaching the target of 0.7 per cent of gross domestic product (GDP) should encourage those countries that had not yet done so.

Meeting to assess progress in implementing a landmark agreement reached at a 2002 development summit in Monterrey, Mexico, the High-level Dialogue took place as the Assembly negotiates the outcome document for the 2005 World Summit in September, and in the immediate run-up to the Group of 8 (G-8) meeting, where development finance heads the agenda.

It brought together ministers of finance, foreign affairs and development cooperation, as well as leaders of the United Nations, the World Bank, International Monetary Fund (IMF) and the World Trade Organization (WTO).

Participants had also highlighted the huge challenges Africa faced, Mr. Ping stated, emphasizing the key role that the New Partnership for Africa's Development (NEPAD), as well as other regional organizations, should play in development. Noting that significant progress had been made on debt relief, particularly the recent G-8 proposal to eliminate the debt of heavily indebted poor countries, they had emphasized that that measure should be extended to other nations, including some middle-income countries.

Adding that the Monterrey principles required greater cooperation to better promote and finance development, he said those principles called for greater coherence among States in trade, aid policies and financial decisions. To that end, participants had highlighted the need for developing country participation in international decision-making, and the need to reform the United Nations, as well as the working methods of the Economic and Social Council.

Addressing some of those issues in today's plenary meeting, the representative of Pakistan noted that current ODA targets, as well as proposed debt relief, seemed inadequate in achieving the Millennium and other agreed development Goals. The September Summit should redefine "debt sustainability" as the level of debt consistent with achieving national

development goals, and consider significant debt cancellation for all developing nations, including heavily indebted middle-income countries.

Moreover, foreign direct investment (FDI) should flow to a wider range of developing countries, he added, noting that it facilitated technology transfer, created jobs, boosted productivity, enhanced competitiveness, accelerated economic growth and eliminated poverty. Unfortunately, such flows were a small fraction of global investment flows, and were concentrated in only a few emerging markets. The September Summit should endorse national and international measures to generate domestic, as well as FDI, in low-income countries.

Echoing that concern, Djibouti's representative observed that FDI had remained geographically concentrated, with certain regions suffering steady declines and others showing signs of weakness in competing for newer and higher quality investments. Africa was likely to show a modest increase in FDI flows, but such investments remained largely concentrated subregionally and sectorally. Least developed countries had fallen further behind in real growth in GDP, sub-Saharan Africa was off track in meeting the Millennium Goals, and the number of people living in absolute poverty in Africa had grown by about 40 per cent in the last decade.

Turkey's delegate stressed the joint responsibility of both developed and developing countries in mobilizing international resources for sustainable development. Developed countries should design a pro-development international financial system to ensure a global flow of FDI, and developing countries should implement the principles of good governance and the rule of law, and create a strong legal basis for market-friendly institutions to attract that investment. Unfortunately, neither side had yet completely fulfilled those conditions.

Highlighting the need for increased trade to boost development in least developed countries, Bangladesh's delegate noted that 50 of them were caught in a trap of underdevelopment, poverty and structural weaknesses, continuing to be marginalized and facing a variety of barriers in their major trade markets. He urged the international community to provide immediate duty-free and quota-free market access for all exports of least developed countries, and to direct 0.20 per cent of GDP towards such nations, as committed in the Monterrey Consensus.

Parallel to this morning's plenary meeting, six round tables were held under the following topics:

- Round table 1: Mobilizing domestic financial resources for development;
- Round table 2: Mobilizing international resources for development: foreign direct investment and other private flows;
- Round table 3: International trade as an engine for development;
- Round table 4: Increasing international financial and technical cooperation for development;
- Round table 5: External debt;
- Round table 6: Addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development.

In addition to this afternoon's plenary, delegates also attended an informal interactive dialogue on **financing for development**.



Also speaking today were high-level officials from Spain, Bulgaria, Nicaragua, Serbia and Montenegro, Croatia, Ghana, Paraguay, Lao People's Democratic Republic (on behalf of landlocked developing countries), Chile, China, Brazil, Russian Federation, United Arab Emirates, Morocco, Republic of Korea, Syria, El Salvador, Romania, Kazakhstan, Thailand, Switzerland, Canada, Zambia, Algeria, Ethiopia, Uganda, Venezuela, Fiji, Netherlands, and the Observer from Palestine.

Statements were also made by representatives of the European Community, the Inter-Parliamentary Union, the International Federation of the Red Cross and Red Crescent Societies, the Commonwealth Secretariat, the International Union for the Conservation of Nature and Natural Resources, the Asian Development Bank, and the International Organization for Migration.

## Background

The General Assembly met today to continue its two-day High-Level Dialogue on **Financing for Development**, assessing the progress made in implementing the Monterrey Consensus, adopted at the 2002 International Conference on **Financing for Development**, held in Monterrey, Mexico. In addition to today's plenary meeting, the Dialogue will also feature six high-level round tables and an informal interactive dialogue. (For background on the meeting, see Press Release GA/10362 issued on 24 June.)

## Statements

LEIRE PAJÍN IRAOLA, Secretary of State for International Cooperation of Spain, said that her country was firmly committed to doubling its official development assistance (ODA) in the next four years, with the objective of achieving the target of 0.7 per cent in 2012. It would reinforce its commitment to the least developed countries and to sub-Saharan countries, where it would target at least 20 per cent of its ODA. It would also increase the current flow of ODA to Latin America and North Africa, with a particular emphasis on middle-/lower-income countries.

It was necessary to continue fighting poverty, which was defined as a lack of opportunities, capacities and options in order to maintain a decent standard of life, she said. There was no doubt that those capacities and opportunities were largely determined in great part by the disposable income level, as that determined access to necessary goods and services. High vulnerability, lack of empowerment or representation of women was another indispensable dimension when fighting poverty. Another dimension of strategic importance when fighting poverty was reducing inequalities among and within countries.

She confirmed her Government's commitment with the poor in developing countries. The Guiding Plan of Spanish Cooperation (2005-2008) envisaged that at least 20 per cent of ODA would be targeted to basic social sectors. Along with that, a stronger commitment on behalf of the Organisation for Economic Cooperation and Development (OECD) countries was necessary. That commitment must be visualized in an international commercial policy that would be geared towards the needs of developing countries, with decisive measures for the problem of debt, as well as to ensure environmental sustainability.

LYUBOMIR DATZOV, Deputy Minister of Finance of Bulgaria, said efficient national development strategies largely depended on a complex combination of factors, which included country ownership of its future, full mobilization of domestic resources, and support from the international donor community. The European Union target of 0.7 per cent of gross domestic product (GDP) for ODA by 2015, which Bulgaria subscribed to, was ambitious, but achievable. In addition to increased ODA, new innovative sources of financing were being considered by the international community, such as the International Finance Facility. The expected benefits from such proposals should be carefully balanced against potential difficulties and obstacles in implementing them.

In Bulgaria, sound financial and macroeconomic policies had proven effective in achieving long-term financial stability, resulting in annual economic growth of 4 to 5 per cent over the past seven to eight years. The country had employed such policies in restructuring and reducing its external debt from more than 120 per cent to 38 per cent of GDP in the last two to three years. The Bulgarian experience had clearly shown the importance of transparent and effective governance, establishing the rule of law in both judicial and economic sectors, and combating corruption and organized crime at the national and regional levels.

MAURICIO GOMEZ LACAYO, Vice-Minister-Secretary of Economic Relations and Cooperation of Nicaragua, said that it was obvious that donors and recipients realized that cooperation must be effective and have an impact. The quality of development assistance was the key to the success of the various points in the Monterrey Consensus. There must be greater efficiency and effectiveness, and resources must have greater impact on countries' socio-economic development. It was necessary to examine the conditions in receiving countries and the philosophy behind the cooperation provided by donor countries. Nicaragua and others had assumed leadership and established national development plans and created the tools to guarantee effectiveness and transparency. The same must be done in the international community. His country had participated actively in the follow-up to Monterrey and the high-level forums of Rome and Paris.

He said it was necessary to promote machinery for rapid action on development; to put forward national development plans; to create better balance between investments in social sectors; and to show that cooperation could function in the area of economic growth. What was also needed was to make a qualitative leap forward in development. On the issue of debt, he emphasized the need to work within the context of the Heavily Indebted Poor Countries (HIPC) Initiative. He congratulated the Group of Eight (G-8) for dealing with multilateral debt.

In a globalized world, he noted, it was important to make public investments in countries that were net receivers of external cooperation, and to ensure better quality of external resources. Free trade treaties had provided great opportunities that must be maximized. It was also necessary to increase competitiveness. In order to ensure good governance, it was important to strengthen capacities and to invest in national institutions. In addition, access to public services must be seen as an issue of human rights.

PEDRAG BOSKOVIC, Vice-Minister for Foreign Affairs of Serbia and Montenegro, said that developed countries should provide assistance mainly to those nations that had demonstrated resolve in implementing economic and political reform, opening up their economies and fighting corruption. His country supported recommendations to increase ODA from 0.44 per cent to 0.54 per cent of GDP by 2015, and to increase assistance to countries registering progress in achieving the Millennium Development Goals by 2005. Developed countries should also set deadlines for increasing ODA and achieving the target of 0.15 to 0.20 per cent of GDP for ODA to least developed countries.

Serbia and Montenegro had set up a working group to monitor achievement of the Millennium Goals in October 2004, he said. A group of national experts in health, education, social policy, environmental protection and global partnerships had prepared the Review of Implementation of the Millennium Development Goals in Serbia. The country based achievement of the Goals on integration into the European Union, harmonization of its laws with developed States, the reduction of poverty, the strengthening of democracy, and regional cooperation.

ANA HRASTOVIC, Assistant Minister for Finance of Croatia, noted that her country was very likely to achieve all of its specific Millennium Development Goals. The first lesson learned in achieving progress towards the Goals was a need for clear country ownership. Country ownership, enhanced by the mobilization of domestic resources and policy coherence among development partners, was of crucial importance. Croatia's economic strategy was consistent with the policy programme supported by the International Monetary Fund (IMF)'s Standby Arrangement, and the overall macroeconomic policy would also be supported by a number of

structural measures to be further enhanced by the World Bank. The main pillar of the programme was the fiscal adjustment needed to limit external vulnerability and the increase of Croatia's external debt-to-GDP ratio. The programme also aimed to enhance transparency and financial management in the government and public sector. The best way to achieve the Millennium Development Goals was to integrate country-specific goals into domestic economic strategies and support them further with development partners' programmes.

Another lesson learned was the need to coordinate policies internally, she said. In Croatia, the Ministry of Foreign Affairs and European Integration had been assigned the task of monitoring the Millennium Development Goal process and acting as main partner of the United Nations Development Programme (UNDP) in implementation. She supported improving the processes and capacities at the country level in order to strengthen the voice of developing countries, while not forgetting transitional economies. Further capacity-building in transitional countries was important for supporting their active engagement in the international development arena, and active participation as owners - not only borrowers - in Bretton Woods institutions.

GEORGE GYAN BAFFOUR, Deputy Minister of Finance and Economic Planning of Ghana, said the gulf between North and South had widened in the past two decades, despite a plethora of internationally agreed development goals. Such a state of affairs called not only for a radical change in the approach to development issues, but also for both developed and developing countries to translate those goals into realistic and workable actions. The new concept of development embodied in the Monterrey Consensus provided both a positive framework and the right impetus for developing countries to pursue the implementation of responsible socio-economic development agendas, and for developed countries to complement those efforts by supporting, both morally and financially, the poverty-reduction agendas of developing countries.

The Millennium Summit could not have come at a more appropriate time for Ghana, he said. The goals and targets both vindicated and validated the development initiatives it had been pursuing since the late 1980s. The Millennium Development Goals, together with the Monterrey Consensus recommendations, captured the very essence of the strategies contained in the Ghana Poverty Reduction Strategy. Regarding poverty reduction, Ghana had made good progress, reducing the number of people living below the poverty line from over 52 per cent in 1992 to 42 per cent in 1997, with a further reduction to 35 per cent in 2003. Gains in the area of health, however, were less encouraging. In the globalized world, developed countries' support was a sine qua non for real progress. In pursuit of sustained economic growth and poverty reduction, Ghana's Government emphasized democracy, good governance, the rule of law and respect for human rights as essentials for sustainable development. The free and fair elections of the past 12 years testified to the democratic path Ghana was charting.

RUBÉN RAMÍREZ, Vice-Minister for Economic Affairs and Integration of Paraguay, said it had been recognized that developing countries had the primary responsibility for mobilizing their national resources to finance their development. In that regard, his country had instituted a programme to strengthen governance and fight corruption, among other things. However, development assistance was still needed on a timely manner, without conditionalities and on favourable terms. That way, it would be possible to strengthen internal efforts and bring out investments for development. At Monterrey, developing countries were convinced that the Consensus adopted was the right means to fight poverty and allow for countries to enjoy better living conditions. The results of that Conference were only the beginning of a long road that both developing and developed countries must travel together.

According to the Economic Commission for Latin America and the Caribbean (ECLAC), poverty in his region continued to be high, with 96 million living in conditions of extreme poverty. That showed that the gap between rich and poor countries continued to widen, with no solution in sight. The problem of poverty continued in many countries. National development must accompany international assistance. To develop small and vulnerable economies, such as the least developed countries and the small island developing States, the factors that would

influence a change of course required actions of different kinds. There must be broad and unrestricted access to world markets for those countries.

The Monterrey Consensus, he continued, had stated that trade was the most important instrument to finance development. But the share of developing countries in the world trade system had been marginal. That situation was particularly dire in the case of landlocked developing countries. It was important to bear in mind the high costs those countries must shoulder in shipping products to principal markets.

ALOUNKEO KITTIKHOUN (Lao Peoples' Democratic Republic), speaking on behalf of landlocked developing countries (LLDCs), said **financing for development** had remained indispensable in achieving sustained economic growth, especially for LLDCs. While mobilization of domestic resources had improved in many developing countries, LLDCs had lagged behind, mainly due to slow economic growth and declining levels of foreign direct investment (FDI). For LLDCs to overcome such restraints and move forward in pursuing developmental goals, the donor community should give them unconditional support. He appealed to the international community to increase ODA and facilitate greater flows of FDI to LLDCs, so that they could meet their developmental needs.

Landlocked developing countries had remained marginalized from the world trading system due to their high transport costs and lack of territorial access to the sea, remoteness from world markets, poor transport infrastructure and burdensome border crossings, he said. Current LLDC expenditure on transport and insurance as a share of total export earnings doubled that of developing countries overall, and tripled that of developed economies. Such high costs prevented LLDCs from reaping the benefits of international trade, and kept them out of the regional and global economic mainstream. Adding that his country hoped to see an open, equitable, rule-based and development-oriented multilateral trading system, he stressed the importance of concluding the Doha round by 2006, and called for current World Trade Organization (WTO) negotiations on market access for agricultural and non-agricultural goods to focus on products of special interest to landlocked developing countries.

HERALDO MUÑOZ (Chile) said that it was now necessary to strengthen multilateralism, and to move beyond analysis and evaluation. It was also necessary to move towards a more just world order. That was especially the case in Latin America, which had the greatest disparity in income distribution. It was necessary to make the aspiration for development something tangible. In that framework, Chile had participated in initiatives against hunger and poverty, particularly in an action against hunger and poverty initiative with Brazil and France. In doing so, it had, with those countries, prepared a menu of innovative mechanisms to promote complementary flows to development assistance. The Millennium Declaration had identified the goals to be achieved by 2015. The Monterrey Consensus and the Johannesburg Plan of Action had laid down the processes and identified responsibilities in that regard for consistent action at the national, regional and international levels.

He noted that the 0.7 per cent ODA target was not enough to carry out the tasks to achieve the goals set. He reaffirmed the need to promote positive interaction between the private sector and all social actors in the economic and social development of countries. In the multilateral framework, it was necessary to complete the Doha round of WTO negotiations, eliminate practices which distorted trade, generate fair competition and provide access to markets. No one should be excluded from the fruits of globalization.

ZHANG YISHAN (China) said the most urgent task in **financing for development** was to bridge the financial gap. Due to historical and current reasons, developing countries had not been able to get out of their financial difficulties. Coupled with shortages of domestic financial resources, international commitment to financial aid had never been fulfilled and the "development deficit" had remained unsolved for a long time. Many African and least developed countries were bogged down in "poverty traps", lacking the essential resources for national infrastructure, social services and public management. In some countries, heavy debt

payments had taken away their valuable resources, which would otherwise be spent on development. Such problems must be corrected.

He said the European Union had taken an important step towards formulating the timetable for realizing ODA targets, and it was to be hoped that other developed countries would also follow their steps to reach the targets at an early date. Second, debt cancellation and reduction should be extended and deepened and China welcomed the initiative by the G-8 finance ministers to forgive the debts of 18 heavily indebted poor countries. Third, China looked forward to the International Finance Facility, which would hopefully provide experiences for more extensive financing arrangements. Fourth, a monitoring mechanism should be established to intensify supervision of follow-up actions in **financing for development**, so as to ensure the timely delivery of high-quality ODA.

From the long-term point of view, the key to **financing for development** lay in enhancing the capacity of developing countries for self-financing and diversifying the means of financing, he said. That would be a long and arduous task and, to support them, the international community must help developing countries to strengthen their capacity- and institution-building. It was important to create a favourable external environment, and especially a fair and equitable international economic system. In terms of capacity-building, current international efforts to support developing countries were still rather generalized and some were even mixed with conditionality aimed at putting pressure on recipient countries, which was more harmful than helpful.

He said that in order to create an enabling external environment and solve the systemic problems of developing countries, the international community should understand fully the special difficulties they faced in the globalization process. They should be allowed to choose policies suited to their national conditions and given sufficient "policy space", as high-handed actions would only aggravate their difficulties. Also, the international community should build a fair, non-discriminatory and rule-based multilateral trade system.

RONALDO MOTA SARDENBERG (Brazil) said that, at the national level, his country had combined sound macroeconomic policies with strong social programmes. It had put into practice fiscal discipline, warded off inflation and adopted measures to stimulate economic growth. As a result, its GDP had grown, its trade surplus had expanded and investments had increased at a fast pace. It had also put in place the so-called "Zero Hunger" programme, which had already benefited millions throughout the country.

Brazil, he said, had also endeavoured to put into practice Monterrey's recognition of "the value of exploring innovative sources of finance". With that purpose, it had, together with Chile and France, launched the action against hunger and poverty initiative. To follow up on that, a technical group on innovative financing mechanisms continued to elaborate proposals aimed at increasing the amount of resources available for development and ensuring better predictability of aid disbursements.

Regarding the international community's appraisal of what had been done to meet the Monterrey commitments, he noted that, on the one hand, there had been promising announcements in the fields of foreign debt and ODA. On the other hand, some of the main guiding principles of the Consensus, unfortunately, had not been put into practice, such as the need for enhanced participation of developing countries in international forums. Nor had any breakthrough been reached in the area of trade. He hoped those and other issues would be taken up at the next WTO meeting in Hong Kong later this year.

ANDREY DENISOV (Russian Federation) said that debt relief was vital in mobilizing resources to attain developmental goals and solve social problems. This year, Russia intended to announce the cancellation of \$2.2 billion in debt for the poorest African States within the framework of the HIPC Initiative. However, cancelling debt by itself, without effective financial and budgetary policy and structural reforms, stronger institutions, and an improved

investment climate, would not achieve favourable results. Continuous increase in credit volume and constant cancellation of past debt gave the wrong signal to debtors.

Supporting in principle the use of innovative sources of financing, he stressed that such mechanisms as the proposed International Financial Mechanism or international taxation to extend global economic assistance should be strictly voluntary, and should be adopted only by countries that considered such mechanisms compatible with their national legislation and economic capabilities.

Adding that expansion of world trade would create additional opportunities for achieving the Millennium Goals, he called for a rapid completion of the WTO Doha Round of trade negotiations. The international community must ensure stable, predictable and non-discriminatory conditions for market access for all, including countries in transition that have not yet acceded to the WTO.

ASIM ARAR (Turkey), aligning himself with the statement made on behalf of the European Union, said poverty was still the main obstacle for an equitable international economic system, because it stemmed from unequal levels of production and an unbalanced income distribution among countries. The responsibility for developing countries was to create a comprehensive national development strategy focusing on poverty reduction. There was also a joint responsibility of both developed and developing countries to mobilize international resources for sustainable development. Developed countries should design a pro-development international finance system to ensure a global flow of FDI. To attract that investment, developing countries should implement the principles of good governance and the rule of law, as well as create a strong legal basis for market-friendly institutions. Unfortunately, neither side had yet completely fulfilled those conditions.

Developing countries should be provided with help to help themselves, he said. International partners should focus on capacity-building for national administrations and transferring know-how about development policies and best practices. Quick implementation of the commitments regarding the increase of ODA was also important. The negative impact of the indispensable aid, however, was an increase in the foreign debt. Heavily indebted countries deserved, therefore, special attention. International trade had a central role in promoting, encouraging and supporting development activities, and his country, therefore, supported an early conclusion of the WTO negotiations. It should, however, be kept in mind that, in the absence of global stability, no policy, good governance, rule of law and implementation of free market policies could deliver sustainable development.

HAMAD HAREB AL-HABSI (United Arab Emirates) stressed the importance of strengthening international political will to develop a clear and integrated strategy for financing development. International financial institutions and developed nations should commit 0.7 per cent of their GDP to ODA for developing countries, and 0.15 per cent to 0.20 to least developed countries, ensuring that such assistance was free of conditions. They should also establish an international multilateral trading system based on equality among countries, which would aim to open international markets for developing country products, attract foreign investment and capital, and promote modern technologies for peaceful purposes.

For their part, he continued, developing country governments should mobilize foreign investments to finance development programmes, as recommended by a series of conferences on South-South cooperation, the latest of which was held in Qatar. The Qatar conference urged nations to adopt national plans to reform financial and social institutions, and called for stronger regional cooperation, especially in exchanging expertise, developing financial and human resources, advancing the private sector, and promoting bilateral and regional agreements aimed at promoting investments in financial, industrial and technological fields.

IFTEKHAR AHMED CHOWDHURY (Bangladesh) said that, in the road towards development goals, each developing country must be in the driver's seat. Development could only be

achieved on the matrix of pluralism, democracy, good governance, rule of law and gender justice. To that end, his country had undertaken an array of reforms in both political and economic sectors, including deregulation and liberalization in every sector of the economy. In doing so, it had achieved considerable progress in those sectors.

He highlighted the plight of least developed countries, noting that 50 of them were seemingly caught in a trap of underdevelopment, poverty and structural weaknesses. They continued to be marginalized, facing a variety of barriers in their major markets. He urged the international community to provide immediate duty-free and quota-free market access for all exports of least developed countries. As reiterated in Monterrey and Brussels, 0.20 per cent of gross national product (GNP) should be directed towards least developed countries. Also, he noted that current debt relief efforts had been far from effective. The outstanding debt of all least developed countries must be written off immediately, as that would free up much-needed resources for investment in development. Whatever approach was chosen for fuller debt relief, it had to be additional to current assistance to least developed countries. Likewise, a significant portion of foreign direct investment should be directed to the least developed countries.

MOHAMED BENNOUNA (Morocco) stressed the need to reaffirm the North-South partnership represented by the Monterrey Consensus, and to take concrete decisions within its context. Adding that the international community must mobilize the necessary financing to give hope to so many people living in want and poverty, he supported the European Union timetable of contributing 0.7 per cent of GDP to ODA by 2015. Official development assistance must be combined with debt relief, however, and efforts made to accelerate implementation of the HIPC Initiative, as well as to attain substantial debt relief for all developing countries.

Turning to trade, he said only predictable access to global markets could provide new momentum to sustain economic growth and achieve the Millennium Goals. He appealed to developed countries to open up their markets and eliminate quotas on developing country products. Developing countries would also benefit from the proposed International Financial Facility or some form of international taxation, which could mobilize major resources for development. Regarding international governance, decision-making in international financial institutions must be reformed to allow countries of the South a stronger voice in matter of globalization.

CHOI YOUNG-JIN (Republic of Korea) said that if the Monterrey Consensus was to be fully implemented, further measures must be undertaken by both developing countries and the international community. Four areas that were crucial in that regard were cultivating domestic resources, providing sufficient and effective ODA, promoting trade and enhancing regional cooperation. To maximize domestic financial resources, every developing country must adopt a national development strategy that strengthened good governance while supporting private sector-led economic growth. Also crucial was sharing knowledge and lessons learned regarding the strengthening of good governance.

He agreed that ODA played a critical role in supplementing domestic resources. But just as important as increasing the quantity of aid was ensuring that it was used effectively. Further measures should be taken to improve coordination among donors, strengthen good governance and align the dispersal of aid with the priorities of recipient countries. As an emerging donor, his country had intensified its efforts to both increase its volume of ODA and to improve its policies and procedures on ODA implementation. It was developing medium- and long-term strategies to further increase and improve its ODA.

While ODA was an important source of **financing for development**, aid alone could not ensure sustainable development over the long term, he added. Trade played an important role in that regard, and he hoped the Doha development round could be soon successfully concluded.

FAYSSAL MEKDAD (Syria) said the outcome of the Monterrey Conference was a crucial element for implementing the Millennium Development Goals. Syria had transformed itself into a real workshop in various areas of development, in order to achieve the aspirations of its people. It was one of the first States to submit its report on achieving the Millennium Development Goals, despite the hardships it had faced. Syria's development depended, to a large extent, on the mobilization of domestic resources. The country was increasing national investment, producing structural transformations, and had a market based on competition. It was also reforming education, promoting research and development, and stressed the role of civil society and women in development. A number of laws had been adopted to implement the main development projects of the country and to improve the investment climate.

He said that, despite the fact that the Monterrey Consensus had stressed trade as the driving force of development, some parties were hampering the use of international trade to finance development. He supported the appeal for the WTO to facilitate the accession of developing countries. He welcomed the European Union's decision to achieve the 0.7 per cent ODA target, and encouraged other States to establish timetables to increase their volume of assistance. Given the urgency of development in Africa, Syria had made the continent a priority when it came to ODA. The debt of all least developed countries should be cancelled, and not tied to ODA. He also welcomed efforts to find innovative sources of **financing for development**, and called on all developed States to adopt measures in keeping with Brazil's initiative. Development was a right for everyone, and should be the top priority at the September Summit.

CARMEN MARÍA GALLARDO HERNÁNDEZ (El Salvador) stressed that developing countries must overcome obstacles to sustainable development by creating the appropriate conditions for international trade, promoting good governance, and empowering civil society as a whole. They could not accomplish such tasks alone, however, and must have technical cooperation and other assistance from developed countries and international financial organizations. Developed countries must abide by their commitments to provide investment and relieve unsustainable external debt.

In efforts to achieve the Millennium Goals, her Government was determined to create jobs through new enterprises, and had increased the general budget by 7 per cent to support local development. Such efforts, however, must be accompanied by an increase in international capital flows, as well as foreign direct investment for sustained economic development. In addition, the international community must develop predictable trade rules and seek to protect vulnerable economies, including medium-income economies, in its efforts to combat poverty.

MIHNEA IOAN MOTOC (Romania) said that, as an emerging donor, Romania would increase over the next few years the volume of development cooperation with developing countries and countries in transition. As an acceding country to the European Union, it would take on board new responsibilities in the field of development policy. It would also continue to extend technical assistance on a bilateral basis. He felt closer attention should be paid to the phenomenon of emerging donor countries. Among other things, their coming on board should normally multiply the chances for meeting the targets for development assistance. The new or emerging donors from his part of the world were keen on meeting the high ODA targets set out by the European Union.

For its part, he said Romania wished to be able to deliver on commitments and expectations. He was confident that joining the European Union - the largest donor of development assistance, and the foremost contributor to multilateral trade assistance programmes in the world - would prove an invaluable "learning-by-doing" experience. Increasing the effectiveness of development cooperation implied adequately responding to partners' needs, simplifying operating procedures and enhancing coordination.

ROBLE OLHAYE (Djibouti) said that, according to the Secretary-General's report, foreign direct investment remained geographically concentrated, with certain regions suffering steady



declines and others showing signs of weakness in competing for newer and higher-quality investments. Africa, in particular, was likely to show a modest increase in foreign direct investment flows. But there, again, those investments remained largely concentrated subregionally and sectorally. The report further elaborated that most least developed countries had fallen further behind in real growth in GDP. Accordingly, sub-Saharan Africa, in particular, was off-track in meeting the Millennium Goals, and the number of people living in absolute poverty in Africa had grown by about 40 per cent in the last decade.

The Monterrey Consensus had identified trade as the single most important external source of development financing, he recalled. However, the participation of many developing countries in global trade remained marginal. Hence, a breakthrough in the Doha Round of negotiations in favour of developing countries was crucial. It was now widely accepted, he said, that many poor developing countries would miss out on achieving the Millennium Goals unless ODA was substantially augmented, both in quantity and quality. Achieving ODA goals would involve more developed countries meeting their commitments to reach the 0.7 per cent target. He also welcomed innovations such as the tax on airline tickets or foreign exchange purchases. It was imperative that the international community remain open to financing suggestions and proposals.

MUNIR AKRAM (Pakistan) stressed the need for sound economic policies and good governance for turning around even the worst performing economies. Development also required adequate financing, however, and would be difficult in countries with a net outflow of resources from developing to developed countries. Viewed in that context, current ODA targets, as well as proposed debt relief, seemed inadequate in achieving the Millennium and other agreed development goals. The September Summit should redefine "debt sustainability" as the level of debt consistent with achieving national development goals, and consider significant debt cancellation for all developing nations, including heavily indebted middle-income countries.

Emphasizing the need for foreign direct investment flows to a wider range of developing countries, he said they facilitated technology transfer, created jobs, boosted productivity, enhanced competitiveness, accelerated economic growth and eliminated poverty. Unfortunately, such flows were a small fraction of global investment flows, and were concentrated in only a few emerging markets. The September Summit should endorse national and international measures to generate domestic, as well as foreign direct investment in low-income countries. Those measures could include international and national investment guarantee schemes, tax and other incentives, and revised "risk rating" arrangements to help direct a greater flow of private investments to developing countries that could not attract such transfers through normal market mechanisms.

An open and equitable international trading system was also vital for sustainable growth and development, he said. The Summit should identify development objectives of the Doha Round, and act to bring immediate benefits for developing countries before it even concludes. Among other actions, the Summit should agree on an end date for eliminating agriculture export subsidies by developed countries; commit to the elimination of tariff peaks and tariff escalation against exports of developing countries; impose a moratorium on anti-dumping actions against low-income countries; and put an end to arbitrary and abusive use of sanitary, phytosanitary and other standards to restrain exports of low-income countries.

LOUIS MICHEL, European Commissioner for Development and Humanitarian Aid and Chair of the observer delegation of the European Community, said that the Monterrey Consensus, for the first time, instituted the global partnership for development, which was central for eradicating poverty. Progress had been made, but it was not enough. That was unacceptable, both humanly and politically. Given the persistence of poverty and globalization, radical change was necessary. The main responsibility was on developing countries themselves, which must put in place bold strategies to combat poverty and become owners of the development process. They could not do that without effective integrated governance.

The international community, he continued, could not dodge its responsibilities in that process. It must do more, do better and do it more quickly. The European Community was committed to that process, and had agreed to increase its budget. The European Union was already one of the primary donors and through its new decision would consolidate its leadership for development. It now had a new timetable and precise targets to attain the 0.7 per cent ODA target. He supported suggestions for innovative sources of financing, such as the initiative for a voluntary tax on airline tickets. He was also studying the possibility of using the anti-trust levies, as an additional contribution to the development budget.

He added that improving the quality and effectiveness of aid was another challenge, in addition to increasing the volume of aid. He stressed the need to stop having administrative demands which were often not connected with the facts on the ground. The Union had adopted a coherence policy for development, to ensure that internal policies adopted within the Union would not undermine the achievement of the Millennium Development Goals. Also, the Union had adopted proactive, pro-African policy, particularly for sub-Saharan Africa. The whole donor community must live up to its promises relating to development.

YERZHAN KH. KAZYKHANOV (Kazakhstan) said international development partners of developing and least developed countries should continue to provide required assistance in order to implement national poverty-reduction strategies. Immediate debt relief should be provided for highly indebted poor countries. His country attached great importance to innovative and unconventional sources of **financing for development** initiated by the United Nations and several Member States. Also, an open, rule-based and equitable multilateral trading system could play a significant role in stimulating economic growth. Close cooperation between the Organization and the Bretton Woods institutions, and a more active role of the regional and subregional organizations would help to successfully achieve people-centred development.

He said Kazakhstan actively contributed to the implementation of the Millennium Development Goals. It had built a functioning market economy, and rapid economic growth had made it possible to substantially expand government expenditures in the social sector. He asked for clearer and more specific recommendations regarding assistance by development partners to landlocked developing States. Tapping the potential of such major international agreements as the 2003 Almaty Programme of Action and global partnerships to address the special needs of landlocked developing countries should be a priority. Regional cooperation, in particular South-South cooperation, and open borders, free of tariff and customs barriers, were key to making economies more competitive. His country had, therefore, focused on the establishment of a Union of Central Asian States, proposed by its President.

LAXANACHANTORN LAOHAPHAN (Thailand) said that international trade had remained the most powerful and sustainable source of **financing for development**. The WTO Doha Round of trade negotiations must be completed by 2006, paying special heed to enhanced market access for developing country products, as well as commodity prices.

Addressing FDI, she said Thailand not only received foreign investment from various international corporations, but was itself investing in neighbouring countries. Investment between developing countries had been increasing and was becoming an important source of additional **financing for development**.

Thailand was also working with both developed and developing partners to establish the Asian Bond Fund, which would not only be a vital resource facility in the Asian region, but would act as a safeguard against fluctuations in international financial markets. Official development assistance played an important role in financing development, but should supplement other sources such as domestic resources. She commended those nations who had fulfilled their ODA commitments, and urged those who had not to do so without delay.

SERGE CHAPPATTE (Switzerland) said it was crucial that developing countries - which had primary responsibility for their own development - formulate and implement efficient and effective poverty-reduction strategies, establish policy frameworks enabling sustainable development, and mobilize domestic resources. Industrialized countries were called on to increase and further improve the quality and effectiveness of their ODA, facilitate the transfer of resources and continue to open their markets to developing countries, especially the poorest.

Since Monterrey, Switzerland had been increasing its ODA continuously and was reaching what it considered to be a realistic objective, he said. Despite a comprehensive rebalancing exercise of the federal finances, ODA would be among the very few budget items growing over the next few years, namely, by 8 per cent over the period 2006 to 2008. Also, Switzerland would actively pursue its support in the different domains of the Monterrey Consensus, particularly regarding the enhancement of good governance and management capacities, and pay particular attention to partnerships with the private sector with a view to further increase the impact of the country's ODA.

Concerning debt, he said that his country had actively contributed to concrete debt-alleviation measures through innovative bilateral debt cancellation programmes and through involvement in the HIPC Initiative. While he continued to have reservations regarding the possible introduction of global mechanisms and facilities for mobilizing new resources for development, he was willing to examine participation in more limited mechanisms on a voluntary basis, such as the recently proposed financing facility to support immunization.

BRUCE MONTADOR, Vice-President of the International Development Agency of Canada, said that this year promised to be a turning point in the fight against poverty. The global community had mobilized and momentum was building. At Monterrey, the international community established the basis of a partnership to help mobilize the resources necessary to achieve the Millennium Goals. Canada was committed to supporting the efforts of developing countries to establish strong foundations for their sustainable development. Clearly, that meant increasing its aid. Since Monterrey, Canada was on track to fulfil its promise and double its aid by 2010.

More importantly, he said, Canada wanted to make its aid better and more effective, and was aligning its efforts with the priorities of its development partners. However, aid was only a small part of the development puzzle. It worked best when it was part of a broader and more coherent set of policies. By establishing clearer links among its development, diplomatic, trade and security agendas, his Government would help to ensure that its actions in areas other than development cooperation took the interests and needs of developing countries into account.

Canada, he said, supported the negotiation of foreign investment protection agreements or bilateral investment treaties to better manage and mitigate investment risk. Also, it viewed the WTO as an important forum in the approach to help achieve the Millennium Goals. He noted that the recent G-8 decision to cancel 100 per cent of the debts of some countries was an excellent result for Africa. Canada was increasing its investments in Africa, where needs were clearly the greatest. It was doubling its 2003 level of aid to the continent by 2008.

TENS KAPOMA (Zambia) said that his country had successfully reached the HIPC conclusion point in April, resulting in the reduction of its debt stock of \$7.1 billion in 2004 by \$3.8 billion. Also, Zambia was one of the beneficiaries of the 100 per cent debt cancellation by the Bretton Woods institutions at the last meeting of the G-8. Consequently, the debt stock had reduced significantly to less than \$2 billion, which would facilitate increased expenditure on development programmes. The Government had embarked on policies and strategies that would ensure debt sustainability, among which were prudent debt management and soliciting for more grants as opposed to loans.

In addition, Zambia was currently implementing the Harmonization in Practice Initiative and had signed a memorandum of understanding with 15 development partners, outlining partnership commitments on aid effectiveness based on ownership and mutual accountability, among others. He stressed that more needed to be done to reduce conditionalities and increase untied aid; eliminate the multiple assessment frameworks; change the mindset of development partners who were still clinging to their "darlings"; and strengthen the donor field offices based in developing countries with powers to manage and make decisions on aid delivery to avoid the "post office syndrome".

MOURAD BENMEHIDI (Algeria) said the Monterrey Consensus still gave rise to much hope among developing countries. However, developing countries did not own their own development, as the Consensus had stipulated, and developed countries were far from honouring their ODA commitments. Developing countries, despite their lack of resources and capacity, had made commendable progress in reform and institution-building. Stressing that developed countries should live up to their commitments to increase ODA to 0.7 per cent of ODA by 2015, he commended those countries that had already done so. The international community must also promote FDI, which had remained at a ridiculously low level in several regions.

Continuing, he said innovative sources of financing could be extremely beneficial, but should not take place of traditional sources in combating poverty and hunger. Adding that debt was also a serious obstacle for developing countries, especially heavily indebted ones, he welcomed decision of G-8 to cancel external debt for heavily indebted poor countries.

TERUNEH ZENNA (Ethiopia) said the record in achieving the Millennium Goals indicated a big disparity between regions. The challenge of meeting the development goals in Africa remained one of the key reasons for enhanced international partnership. He shared the Secretary-General's view that countries adopt and begin to implement, no later than 2006, a national development strategy bold enough to meet the Millennium Goals by 2015. Ethiopia had undertaken a series of economic policy reforms geared towards poverty eradication and sustainable development. According to the Millennium Development Goals needs assessment report, Ethiopia would need \$5 billion in ODA per year, while the present level was only about \$1 billion.

He noted that ODA would continue to play a crucial role in supplementing the resources of developing countries, particularly those in sub-Saharan Africa. In addition to the need to raise the level of ODA, he underlined three areas the Secretary-General's report had mentioned. First, not only did ODA have to increase substantially, it was essential to direct at least half of ODA to sub-Saharan Africa. Second, the call to increase ODA must be qualified, so that it referred to real increases in financial resources to support the Millennium Development Goals channelled through the budgets of recipient countries. Third, the rise in ODA had to go hand in hand with improvements in aid quality and effectiveness.

FRANCIS BUTAGIRA (Uganda) noted that developing countries created the necessary environment to allow for the mobilization of domestic and international resources for development. Uganda had put in place the necessary macroeconomic policies through the poverty eradication action plan. To encourage competitiveness, the Government had focused on raising productivity by improving efficiency in macroeconomic management; providing public goods, infrastructure and information; and ensuring security, law and order. Investments in health, education, water and sanitation were also a priority that would lead to higher productivity.

Uganda welcomed the G-8 announcement of debt cancellation for highly indebted poor countries, which should be supported by sustained measures to ensure that those countries did not fall into unsustainable debt once again. Being a least developed country and a primary commodity dependent country, he said Uganda was interested in seeing implemented the provision in the Monterrey Consensus for targeted financial technical assistance and capacity-

building programmes, as well as immediate duty-free and quota free access for all least developed country products into developed country markets.

Although they had pursued sound economic policies, countries like Uganda were faced with negative economic growth due to external factors, he said. It was time for action to address global systematic imbalances by enhancing coherence and consistence in the governance of international institutions dealing with trade, financing and monetary issues. The voice and participation of developing countries in systematic issues would make for a more realistic outcome.

IMERIA NUÑEZ DE ODREMÁN (Venezuela) said that the decade of the 1990s had created a framework focusing on development, with developing and developed countries moved towards consensus. In Monterrey, countries undertook shared responsibilities for ensuring development. In spite of the efforts made, the prognosis was that the world was moving towards regrettable failure in the fight against poverty. At that rate, the Millennium Goals would not be achieved by 2015. In the area of trade, Venezuela had emphasized the need for a public review of the impact on Member States of the Marrakech Agreement. Access by developing countries to major markets should not depend on conditionalities. The policies of macroeconomic reform and open trade had aggravated the disparities between developed and developing countries. That required implementing concrete policies to deal with debt and the problems of medium- and low-income countries. External debt continued to have a pernicious impact on the economies of developing countries.

In spite of all that, she said a response had only come from the World Bank and the IMF, which had only sought to guarantee the repayment of the debt of developing countries. It was necessary to approach debt in a way that ensured the sustainability of the societies affected. Venezuela supported the rights of developing countries to implement their development strategies, and rejected the imposition of conditionalities. The past six years had been plagued by difficulty in her country, but it had shown what could be done if resources were mobilized to finance development. There must be massive efforts by the people, who must take part in decision-making processes affecting the country. Statistics indicated that her country would attain many of the Millennium Goals by 2015.

ISIKIA RABICI SAVUA (Fiji) said that trade and economic growth was very important for Fiji. A fair, open and equitable trading system, supplemented with adequate aid, were powerful drivers of economic growth. While the recommendation to complete the Doha round of multilateral negotiations and the fulfilment of its development promise were lauded, Fiji's concern continued to remain its outcome, which he hoped would be favourable to developing countries and small economies.

He called for enhanced market access for products, and strengthening the supply side capabilities and productive capacity in developing countries to strengthen export competitiveness and build capacity to overcome trade challenges arising from trade liberalization. The September Summit should also address trade distortion through subsidies, as commonly practiced in developed countries. In sum, developing countries needed financial support and "policy space" to lift their exports sector and "grass-roots economies" from the doldrums and enable them to be competitive.

He said that natural disasters experienced in small island developing States in the recent tsunami exposed their vulnerability and fragility. He asked for appropriate technical and financial assistance to ensure the effective and full implementation of the Mauritius Strategy. He also drew attention to the seeming lack of focus paid to developing countries in Asia and the Pacific that were in dire need of assistance.

DIRK JAN VAN DEN BERG (Netherlands) commended the European Union decision to raise ODA according to a specific timetable in coming years, but stressed that that was not enough. Other donor countries should also increase their ODA contributions to enhance the

sustainability and predictability of development financing. Emphasizing that debt relief could also play a key role in liberating resources needed to achieve the Millennium Goals, he welcomed the decision by G-8 finance ministers to cancel the debt of highly indebted poor countries to the IMF, World Bank and the African Development Bank. He stressed, however, that debt relief should not reduce resources available to other developing countries, or jeopardize the long-term financial viability of international financial institutions.

Turning to microfinance, he said it had huge potential in reducing poverty and attaining the Millennium Goals. The World Bank's publication "Doing Business" could devote a separate edition to financial sector development issues, including financial snapshots, as well as concrete recommendations and best practices. National microfinance platforms could support their governments in implementing those recommendations, and a high-level task force could advise and advocate for microfinance as a major contribution to poverty reduction.

JIHAD AL-WAZIR, Deputy Minister of Finance of the Palestinian Authority, said that Palestine was one of the main recipients of international aid and, with the help of the international community, had been undergoing significant reforms at all levels of society. In the last three years, it had taken key steps towards economic and political reforms, culminating in the democratic presidential and municipal elections. Also, a series of financial reforms had been enacted, which had proven the capacity of the Government to manage resources efficiently, and to formulate, implement and enforce sound policies and regulations in a transparent manner. Those reforms had been recognized by the World Bank and the IMF as among the best in the region.

Yet, despite those reforms and significant international donor support, the humanitarian and economic situation of the Palestinian people remained bleak, he said. Israeli occupation policies, such as closures and the continued building of the wall, had severely restricted the possibilities of any significant economic development. Private sector-led growth was the key instrument for Palestinian economic recovery. For the private sector to succeed, it required both a stable and secure political environment, which allowed unimpeded access to regional and international markets, as well as an internal environment characterized by transparency and good governance.

# US Fed News

## EUROPEAN UNION HAS KEY ROLE TO PLAY IN FURTHERING DEVELOPMENT PROCESS, SECRETARY-GENERAL SAYS AT EU LUNCHEON

575 words  
28 June 2005

[US Fed News](#)

English

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NEW YORK, June 28 -- The United Nations Office of the Secretary General issued the text of the following remarks:

Secretary-General's remarks to lunch hosted by the European Union in conjunction with the General Assembly High-Level Dialogue on **Financing for Development**:

Mr. President, [General Assembly]

Mr. Schiltz, [EU President and Minister of Development, Luxembourg]

Mr. Michel, [EU Development and Humanitarian Aid Commissioner]

Mr. Mandelson, [EU Trade Commissioner]

Mr. [Fernando] Canales, [Mexican Minister of Economy]

Excellencies,

Ladies and Gentlemen,

It is a pleasure to join you for this lunch, at which we are to focus on the Monterrey Consensus.

Indeed, much as we have talked about the Millennium Development Goals over the past two days, we also need to remember that the MDGs are part of a much wider development agenda. Moreover, the MDGs take us only to 2015, and our horizon must go well beyond well beyond that. Development is a continuous process.

The Monterrey Consensus helps us on both fronts.

It encompasses broader development issues such as growing inequality, globalization, trade-related matters, coherence between financial, trade, aid and debt policies, and other systemic questions.

It also focuses on the long term, for example through its emphasis on human capital, which is any country's most abundant domestic resource.

The Europe Union has a key role to play as we move ahead. Europe already has much to be proud of. You set the stage for the reversal of the long decline in official development assistance by announcing an increase just before Monterrey. Again this year, in advance of the World Summit, you have announced another big increase and a timetable for reaching 0.7 per

cent of gross national income. Europe has also been in the forefront of efforts to improve the quality of aid, to boost aid to Africa, and, within the G8, to take concerted action on debt relief. This is just the kind of leadership we need to make the Summit a success.

But we need even you to go further. The debt initiative is still incomplete. The EU could also do more to fix the trading regime, by ensuring that goods from developing countries - particularly in agriculture - have wider access to European markets, and that they no longer have to compete on the world market against subsidized products. Finally, the EU is well placed to increase the participation of developing countries in global economic and financial decision-making, by agreeing to changes at the World Bank and IMF.

Dear friends,

I hope you will not think that, in asking you for such steps, I am losing sight of the fact that every developing country, indeed every country, is responsible for its own progress and well-being. That is a cardinal principle of development and of the Monterrey Consensus.

Developing countries agreed at Monterrey to promote good governance, to fight corruption, and take other steps conducive to development.

But it is equally true that many countries will not be able to achieve sustainable growth without assistance. Sp developed countries have obligations, too. They agreed at Monterrey to help developing countries build up their capacities and institutions, and to create a supportive international environment

That is why we are here - to build the strong partnership for development that is itself the eighth Millennium Goal.

Thank you very much.



# US Fed News

## RELIEF, DEVELOPMENT AID FOR AFRICA LINKED, USAID'S NATSIOS SAYS

1,632 words

28 June 2005

[US Fed News](#)

English

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WASHINGTON, June 28 -- The U.S. Department of State's International Information Programs issued the following press release:

"Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk," U.S. Agency for International Development (USAID) Administrator Andrew Natsios told the United Nations in New York June 27.

Natsios pointed out that humanitarian relief is often separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. But, he said, "We must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult."

To that end, President Bush recently announced an additional \$674 million for humanitarian emergencies in Africa in 2005 - beyond the approximately \$1.4 billion already committed, Natsios said.

The USAID administrator spoke at a ministerial-level meeting on financing for development. The two-day session was a follow-up to the historic 2002 development summit in Monterrey, Mexico, that brokered a partnership against poverty. It aimed to give governments an opportunity to consolidate or add to their development packages in support of the U.N. Millennium Development Goals and is a precursor to the Group of Eight (or G8, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia) meeting July 6-8 and to the United Nations' 60th Anniversary Summit in September. (See related article at <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2005&m=June&x=20050627191421aawajuk0.3295862&t=livefeeds/wf-latest.html>)

The United States, he said, has also been the leading contributor to health issues for Africa both through the Global Fund for Fighting HIV/AIDS, Tuberculosis and Malaria and the President's Emergency Plan for AIDS Relief. The Bush administration's five-year, \$15 billion emergency plan, announced in 2003, is providing funds to fight the pandemic, with a special focus on 15 hardest-hit countries.

But the way forward is economic development, and the United States has been instrumental in helping countries participate in trade negotiations, obtain commitments and benefit from trade, Natsios said.

The United States is "enthusiastic" about the New Partnership for African Development's (NEPAD) goal of linking poverty eradication, sustainable growth, global integration, and good governance, and it is providing support to the initiative, he said. The partnership - a strategic framework for "Africa's renewal" - led by the African Union is working to eradicate poverty,

advance sustainable growth, enhance Africa's integration in the global economy and accelerate the empowerment of women.

As countries prove their commitment to change and reform, to govern justly, invest in their people and maintain policies and institutions that support market-led growth, they will be eligible to receive billions of dollars from the U.S. Millennium Challenge Corporation (MCC) in coming years, Natsios said.

The MCC administers the Millennium Challenge Account, a supplementary aid program launched by President Bush to reward poor nations that invest in the education and health care of their citizens, fight corruption and promote good governance.

For additional information on U.S. development assistance, see Millennium Challenge Account at [http://usinfo.state.gov/ei/economic\\_issues/mca.html](http://usinfo.state.gov/ei/economic_issues/mca.html)

Following is the text of the Natsios' statement:

(begin text)

U.S. Agency for International Development

Statement by Andrew Natsios Administrator, U.S. Agency for International Development At the United Nations High Level Dialogue on Financing For Development

New York, NY

Monday, June 27, 2005

MR. NATSIOS: Thank you, Mr. President.

Today, three years after the U.N. Conference on Financing for Development, its outcome - the Monterrey Consensus - has become the definitive framework for successful development. Developing countries and donors alike have embraced its emphasis on good governance and domestic ownership of development strategies, while trade and private investment are widely recognized as essential.

In setting out the principles of the New Partnership for African Development (NEPAD), African leaders are linking poverty eradication, sustainable growth, global integration, and good governance. We, in the United States, are enthusiastic about NEPAD and are providing support to the initiative.

For its part, the United States has increased Official Development Assistance even beyond President Bush's Monterrey pledge - U.S. assistance increased from \$10 billion in 2000 to \$19 billion in 2004 - a quarter of the OECD total.

However, these ODA increases must be matched by increases in effectiveness and sustainability. Achieving the goals of the Millennium Declaration is not just about the mobilization of resources alone.

Countries that have proven their commitment to change and reform - that govern justly, invest in their people and maintain policies and institutions that support market-led growth will receive billions of dollars from the Millennium Challenge Corporation of the United States Government in coming years.

Too often, humanitarian relief has been separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. In Africa - which has more fragile or vulnerable states than any other region - we must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult.

To assist states in crisis and conflict return to stability and get on the path to sustained growth, President Bush recently announced that we will provide an additional \$674 million for humanitarian emergencies in Africa this year in partnership with the United Kingdom - beyond the approximately \$1.4 billion already committed.

By joining with socially responsible private sector partners in our Global Development Alliance, USAID since 2002 has invested \$1 billion in 290 public-private alliances in 98 countries - and thus leveraged more than \$3.7 billion in total partner resources.

As a founder and largest donor of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the United States Government provided \$459 million to the Fund in 2004. The U.S. contribution for HIV/AIDS programs totaled more than \$2.8 billion in the current fiscal year. In addition, we provide approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk.

The United States leads the world in liberalizing trade and helping countries participate in negotiations, obtain commitments, and benefit from trade. The completion of the Doha Round, to which the U.S. is committed, could add \$200 billion annually to developing countries' income and lift more than 500 million people out of poverty.

The U.S. and other G-8 countries have called for 100 percent cancellation of debt obligations owed to the World Bank, the African Development Bank, and the International Monetary Fund which will result in approximately \$40 billion in immediate debt relief - and could reach more than \$56 billion if all Heavily Indebted Poor Countries become eligible.

We recognize that the volumes of aid and other development resources must increase significantly. But if we are to continue the recent increases in ODA and assure the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results.

There is ample evidence that ODA is not usually the limiting factor on national development. Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people.

The Report of the U.N. Commission on the Private Sector and Development estimates that developing countries have \$9.4 trillion dollars in private financial assets that cannot be fully mobilized for development, largely because of corruption and inadequate legal protections for property and contracts.

Competitive, well-regulated private markets are indispensable because they are the most effective institution ever devised for allocating resources efficiently, for fostering innovation, and for communicating information that helps consumers and producers make decisions. Regulatory frameworks should aim to build the public's confidence in private markets to protect property, enforce contracts, and generally respect the rule of law.

According to a World Bank study, in one developing country, it takes 203 days to register a business, while in yet another country, enforcing a contract takes 1,459 days. With barriers to

business formation and entrepreneurship like this, businesses remain small and in the informal sector. There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place.

A significant way that the U.N. can support development is by helping countries make and implement the right choices in governing well. The U.N. is well placed to offer such assistance, for example, through providing a forum for south-south peer reviews and showcasing progress on nations' efforts to strengthen the rule of law, govern justly, end corruption, strengthen the financial sector, attract businesses to the formal sector, and open up trade. Policy reforms such as these should be at the heart of the UN's development activities.

Mr. President, ending poverty is a serious challenge. Building effective and equitable economic institutions takes time, persistence, and reform. Policies must be put in place to safeguard the most vulnerable members of society. The good news is that many countries have already blazed a trail and that the United States and the international community will help those prepared to help themselves. With the right choices, we have a good chance of reaching the goals we set for ourselves at Monterrey and in the Millennium Declaration.

Thank you.

# US Fed News

## **ECONOMIC AND SOCIAL COUNCIL OPENS WITH SECRETARY-GENERAL'S CALL FOR TRANSLATING ECONOMIC GROWTH INTO DEVELOPMENT FOR ALL**

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English

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UNITED NATIONS, June 29 -- The United Nations issued the following press release:

The state of the world economy remained robust, and growth was widespread among developing countries and economies in transition, but the biggest challenge was to translate growth into development for all, United Nations Secretary-General Kofi Annan said today, as the Economic and Social Council (ECOSOC) opened the high-level segment of its 2005 substantive session.

In most developing countries, he said, there were still high rates of unemployment and under-employment. In Africa, the current and projected rate of growth was insufficient to achieve the Millennium Development Goals. If economic growth was to make greater inroads against poverty, there was a need for smarter policies, more resources and closer partnerships.

Hopefully, other donors would follow the European Union, which had agreed to substantially increase official development assistance (ODA) over the next decade to reach 0.7 per cent of gross domestic product by 2015, he said. Another promising step was the commitment of the Group of Eight countries to reach agreement on debt relief. Developing countries must also do their part by promoting accountable and transparent governance, stimulating the private sector and investing in human capital. Development, however, would be neither meaningful nor sustainable unless the international community also ensured respect for human rights. Developing countries still suffered disproportionately from armed conflict, the proliferation of small arms and denials of human rights.

He said the 2005 World Summit was an opportunity to fortify ECOSOC itself, which had unique strengths as a central body for articulating development policy and ensuring policy coherence. It was the only organ mandated to coordinate the activities of the United Nations system and to engage with non-governmental organizations, which were increasingly vital partners. The Council's overriding task now was to follow through on development commitments that had emerged from United Nations conferences and summits of the past decade and a half.

In his opening remarks, the President of ECOSOC, Munir Akram (Pakistan), said there was a sense of urgency to respond to the challenges of development - poverty, hunger, disease, illiteracy, marginalization and joblessness. The recent slowdown in the world economy, the significant trade and financial imbalances between the major economies, and the accompanying rise in protectionist voices were disheartening signals in the struggle for development, he said. Yet, finally, the political will was being generated to succeed in meeting the challenge of redressing extreme poverty, hunger and disease. The world had the financial, human, technological and institutional capabilities to achieve those goals.

"Our meeting must confront the enormity of the development challenge", he said. But, it must also celebrate the success in the struggle. The growth and dynamism of a growing number of developing countries must be encouraged. Today, the developing countries - including the poorest in Africa - accepted their responsibility for their own development. Solutions for global

underdevelopment would have to be comprehensive and coherent - encompassing adequate external **financing for development**, larger and growing trade opportunities and good global governance. Such comprehensiveness and coherent solutions could be evolved only within the framework of the United Nations, and its economic and social arm - the ECOSOC.

This morning's High-Level Policy Dialogue focused on current developments in the world economy and international economic cooperation in the context of achieving the Millennium Development Goals.

In introductory remarks to the Policy Dialogue, Under-Secretary-General for Economic and Social Affairs José Antonio Ocampo gave an overview of the state of the world economy, saying that the anticipated growth of the world economy for 2004-2006 was unusually widespread among developing countries. Financial flows to developing countries were increasing; ODA had reversed its decline; and there had been some further progress towards reducing the debt burden. However, the net transfer of financial resources from developing countries continued to increase.

He warned that there was a risk of a disruptive shock to the world economy stemming from the large and widening global imbalances, including the current account deficit of the United States. Deterioration in the external environment stemming from the global imbalances would have an impact on the prospects of developing countries. It was from that perspective that addressing the global imbalances should be seen as part of the long-term global development agenda that was the theme of the ECOSOC session. Even the current improvement achieved by many developing countries was unlikely to be sufficient to enable them all to achieve the development goals. Further improvement in growth was necessary and any loss of momentum would be critical.

Other speakers in the Policy Dialogue included: Supachai Panitchpakdi, Director-General, World Trade Organization; Jean-Louis Sarbib, Senior Vice-President of the Human Development Network of the World Bank Group; Carlos Fortin, Officer-in-Charge of the United Nations Conference on Trade and Development; and Reinhard Munzberg, Special Representative of the International Monetary Fund (IMF) to the United Nations. After introductory remarks, an exchange of views took place between delegates and the featured speakers.

An innovation this year was an item called "Voices against Poverty", which featured keynote speeches by Joseph E. Stiglitz, Professor of Economics and Finance at Columbia University, New York, and winner of the 2001 Nobel Prize in economics; Juan Somavia, Director-General of the International Labour Organization; and Antonio Guterres, United Nations High Commissioner for Refugees.

Mr. Stiglitz drew attention to the concern of global financial stability. Developing countries disproportionately carried the risks of fluctuating exchange and interest rates, creating unbearable debt levels, he said. The IMF should design ways of shifting risks from the developing countries to the developed ones. A high level of instability forced all countries to put aside substantial amounts of reserves. Those reserves amounted to lending to the richest countries vast amount of money at low rates. It was a net transfer from developing countries to the developed countries, with amounts exceeding those of foreign aid. If the global reserve system could be changed, the money necessary for achieving the Millennium Goals would be available.

Regarding the need for innovative financing, he drew attention to the fact that developing countries were providing enormous services to the world for which they were not compensated, such as the environmental services in the area of greenhouse gases and preservation of biodiversity. Developing countries now proposed that they would submit themselves voluntarily to the provisions of the Kyoto Protocol if they received compensation for environment services.

The afternoon was dedicated to eight high-level round tables on the following subjects:

- \* Eradication of poverty and hunger;
- \* Health;
- \* Global partnerships and financing of the Millennium Development Goals;
- \* BuildingState capacity to meet the Millennium Development Goals: human rights, governance, institutions and human resources;
- \* Education and literacy;
- \* Gender equality and the empowerment of women;
- \* Environmental sustainability; and
- \* National strategies to achieve the Millennium Development Goals.

In other matters, the Economic and Social Council approved the proposed programme of work as orally revised (document E/2005/L.9) and agreed to hear statements by some of the non-governmental organizations listed in document E/2005/76.

The Council will meet again at 10 a.m. tomorrow to continue its high-level segment, hearing a keynote address by Tarja Halonen, President of Finland.

#### Background

The Economic and Social Council (ECOSOC) opened its 2005 substantive session this morning with a high-level segment, devoted to internationally agreed development goals, including those contained in the Millennium Declaration, as well as to implementation of the outcomes of the major United Nations conferences and summits. This morning's meeting will be devoted to a high-level policy dialogue with heads of multilateral financial and trade institutions of the United Nations systems on current developments in the world economy and international economic cooperation. [For more background information about the 2005 substantive session, see Press Release ECOSOC/6154 of 23 June 2005.]

The afternoon will be devoted to eight high-level ministerial round-table dialogues on the subjects of:

- \* Eradication of poverty and hunger;
- \* Health;
- \* Global partnerships and financing of the Millennium Development Goals;
- \* BuildingState capacity to meet the Millennium Development Goals: human rights, governance, institutions and human resources;
- \* Education and literacy;
- \* Gender equality and the empowerment of women;

- \* Environmental sustainability; and
- \* National strategies to achieve the Millennium Development Goals.

#### Opening Statements

MUNIR AKRAM (Pakistan), President of the Economic and Social Council, said the current session was taking place in special circumstances. The General Assembly had just concluded its High-level Dialogue on **Financing for Development**, and the preparations for the September high-level meeting were well under way. In the Council's deliberations, there was a sense of urgency to respond to the challenges of development - poverty, hunger, disease, illiteracy, marginalization and joblessness. The goals were clear, set out in the Millennium Development Goals and by the conferences held in Doha, Monterrey, Johannesburg and elsewhere. The reviews held so far confirmed that there was a serious deficit in the implementation of those goals and commitments. At the present pace, the Millennium Development Goals might not be realized for another 100 years or more.

The recent slowdown in the world economy, the significant trade and financial imbalances between the major economies, and the accompanying rise in protectionist voices were disheartening signals in the struggle for development, he said. Yet, finally, the political will was being generated to succeed in meeting the challenge of redressing extreme poverty, hunger and disease. There was visible support of common people - including in the richer countries - for the global development goals. The world had the financial, human, technological and institutional capabilities to achieve those goals. And, indeed, many developing countries were succeeding in meeting the challenge of growth and development.

"Our meeting must confront the enormity of the development challenge", he said. But, it must also celebrate the success in the struggle. The growth and dynamism of a growing number of developing countries must be encouraged. Also, the European Union's collective commitment to the 0.7 per cent official development assistance (ODA) target and timetable for its implementation should be congratulated. Simultaneously, the decision of the Group of Eight (G-8) to cancel the debt of 18 countries must be welcomed.

Today, the developing countries - including the poorest in Africa - accepted their responsibility for their own development, he said. Good national policies and governance were an obvious prerequisite for development. But the enormity of the challenge they faced, and the external vulnerabilities that impacted on their endeavours, must not be minimized. Solutions for global underdevelopment would have to be comprehensive and coherent - encompassing adequate external **financing for development**, larger and growing trade opportunities and good global governance. Such comprehensiveness and coherent solutions could be evolved only within the framework of the United Nations, and its economic and social arm - the ECOSOC.

Over the past months, he stated, the Council had held a series of meetings devoted to promoting implementation of the internationally agreed development goals, especially the Millennium Goals. Its interaction with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) was substantive and led to the identification of the policies and actions required to advance the implementation of the agreed development goals. He was confident that the comprehensive nature of participation in today's meeting, the clear focus of the goals and the growing global commitment to making poverty history would enable the meeting to come forward with ideas, initiatives, conclusions and recommendations to promote the vital development goals to which everyone was committed.

KOFI ANNAN, Secretary-General of the United Nations, noted that the state of the world economy had remained robust, and that growth was widespread among developing countries and economies in transition. Along with a resurgence of growth in sub-Saharan Africa, many African countries were achieving annual per capita growth of 3 per cent, and were expected to



reach more than 5 per cent this year. Those were promising trends, but they were not free from risk, such as higher oil prices and current global economic imbalances in the trade and fiscal areas, which could stall momentum.

The biggest challenge, he said, was to translate growth into development for all. In most developing countries, there were still high rates of unemployment and under-employment. In Africa, the current and even projected rate of growth was insufficient to achieve the Millennium Development Goals. If economic growth was to make greater inroads against poverty, there was a need for smarter policies, more resources and closer partnerships. Only then would the global economy bring people in from the margins, and the benefits of globalization reach all people, including those who needed it most.

Hopefully, he said, other donors would follow the European Union, which had agreed to substantially increase ODA over the next decade to reach 0.7 per cent of gross domestic product (GDP) by 2015. Another promising step was the commitment of the G-8 countries to reach agreement on debt relief for the poorest countries. Progress would also be achieved if the Doha trade negotiations could be successfully concluded, so that developing countries could compete in the global trading system on a fair and equal basis.

Of course, developing countries must also do their part by promoting accountable and transparent governance, adopting policies that would stimulate the private sector, and investing in human capital through education and health, he said. Such steps were vital, but development would be neither meaningful nor sustainable unless the international community also ensured respect for human rights. Developing countries still suffered disproportionately from armed conflict, the proliferation of small arms and denials of human rights.

The 2005 World Summit was an opportunity to fortify ECOSOC itself, which had unique strengths as a central body for articulating development policy and ensuring policy coherence, he continued. It was the only organ mandated to coordinate the activities of the United Nations system and to engage with non-Governmental organizations (NGOs), which were increasingly vital partners. The Council's overriding task now was to follow through on development commitments that had emerged from United Nations conferences and summits of the past decade and a half.

First, the international community must engage leaders, policy makers and United Nations bodies, so that regular reviews of progress led to concrete, mutually reinforcing action. Therefore, he had suggested that the Council hold annual ministerial-level assessments. Second, it must connect, in a much more systematic manner, policy discussions and operational activities on the ground. To that end, he had called on the Council to convene a biennial, high-level Development Cooperation Forum.

Third, ECOSOC must respond to economic and social threats and challenges with the same urgency that was brought to peace and security crises. Whether it was a devastating tsunami in Asia, famine in Africa or a debt crisis in Latin America, the response must not only offer immediate relief, but also address the broader development dimensions. For that purpose, he had recommended that the Council hold timely meetings to respond to events that may seriously affect development progress.

He said he had also called on the Council to reinforce its links with the Security Council to deal more systematically with the economic and social dimensions of conflicts, and with the Peacebuilding Commission to sensitize the world to special economic and social challenges facing countries emerging from conflict.

Despite differences among Member States, agreement was within reach on many of the main issues and proposal for the draft Summit outcome, including those of direct concern to ECOSOC. States must spare no effort to ensure that the 2005 Summit succeeded in taking bold steps towards making poverty history.

## Voices against Poverty

JOSEPH E. STIGLITZ, Professor of Economics and Finance at Columbia University, New York, and winner of the 2001 Nobel Prize in economics, said the necessity of meeting the Millennium Development Goals was now well understood by the international community, including a consensus that more substantial resources were needed. However, more than aid was required. There was a need for a comprehensive approach to development. At the international level, some initiatives could be taken. In the area of trade, he welcomed the Doha Development Round, but was dismayed with what had happened since. Commitments made there did not go far enough. There was need for a fairer trade regime that promoted development.

Global financial stability was another source of concern, and the G-8 had not paid enough attention to the issue, he said. The International Monetary Fund (IMF) also had failed to address the fundamental issue. There was a deeper question: why did developing countries suffer so much from global instability, and why was there so much instability? Developing countries disproportionately carried the risks of fluctuating exchange and interest rates, creating unbearable debt levels. The IMF should design ways of shifting risks from the developing countries to the developed countries. Underlying global imbalance was a structural problem of the global resource system which was inequitable and made it difficult to achieve sustained economic growth.

The high level of instability forced all countries to put aside substantial amounts of reserves. Nowadays, dollars were the reserve currency. Those reserves amounted to lending to the richest countries vast amount of money at low rates. It was a net transfer from developing countries to the developed countries, with amounts exceeding those of foreign aid. If the global reserve system could be changed, the money necessary for achieving the Millennium Goals would be available. Changing the system would also help global economic stability and promote sustained economic growth. The fact that such reserves were "buried in the ground" added a deflationary pressure.

There was also a need for innovative financing, Professor Stiglitz continued. In that regard, he drew attention to the fact that developing countries were providing enormous services to the world for which they were not compensated, such as the environmental services and preservation of biodiversity. One of those services was in the area of greenhouse gases. Measured by mechanisms included in the Kyoto Protocol, the value of the carbon services provided by the tropical countries exceeded \$30 billion a year. Developing countries now proposed that they would submit themselves voluntarily to the provisions of the Kyoto Protocol if they received compensation for environment services.

In conclusion, he said that challenges to meeting the Millennium Goals would require concerned efforts of the international community. More than aid was required, and the fundamental structural problems had to be addressed.

JUAN SOMAVIA, Director-General of the International Labour Organization (ILO), said that the Council was meeting at a time when several hopeful signs were being seen in many areas, including increased ODA, commitments for greater debt relief, and a greater focus on Africa. But there was still a long way to go. There was deep-seated anxiety in many societies. Priorities seemed out of balance, and people often looked for scapegoats and targets. As a result, migration, governments, international institutions and globalization all became targets. But globalization was not the cause of every problem.

From the perspective of the ILO, he said that workers were the real actors of the global economy. People wanted a fair chance at a decent job - work that respected core labour standards. The ILO had stated that it was not possible to have decent work without having work, and it had put an enormous emphasis on the creation of work. Today, there was a global job crisis, and levels of uncertainty were a reality worldwide. Beyond national action,

the crisis required a global response. Moving productive work up on the policy agenda was critical to addressing social insecurities and achieving the international development goals.

It was the most pressing political issue of the day, both for individuals and for societies, he said. So much was at stake if the issue was not addressed - the viability of open markets and open societies, the durability of regional integration, and the relevance of international organizations. In many ways, the security of the world was at stake if the global job crisis was not addressed. He noted that countries were coming together to tackle the issue. For example, it was the agenda of the summit of the Americas at the end of this year, and part of the European Commission's social agenda. Also, most governments in the Middle East had identified unemployment as the major cause of instability.

What seemed not to be there was "recognition here", he stated. What was ECOSOC doing about it and what was the September summit going to do about it? What a fantastic opportunity ECOSOC had to "bite the bullet" on the issue. He urged the international community to tackle the issue. It could even be the main agenda of ECOSOC next year. He could not imagine another issue for which the coordinating function of ECOSOC could be better utilized. Maybe then, one day, people would be able to say that poverty was made history through the creation of decent work.

ANTONIO GUTERRES, United Nations High Commissioner for Refugees, noted that millions of people were excluded from society, fleeing their homes, discriminated against, or stateless. They were the victims of war and conflict, who often did not enjoy their most basic rights or the benefits of the world's combined efforts to attain the Millennium Goals. Stressing that "access" was a crucial dimension of the Goals, he said the best designed programme was ineffective if people had no access to it.

National Millennium Goal strategies seldom referred to displaced persons, he said. A recent review of Poverty Reduction Strategy Papers (PRSPs) and United Nations Development Assistance Frameworks (UNDAF) found that displaced persons were often depicted as a "strain", an "impediment", and a "threat". Of the PRSPs, only 10 per cent reflected refugees' needs; one third included returnees in the country of origin; and less than half mentioned people suffering from internal displacement. To ensure access for the most vulnerable, the international community must ensure that the voices of all groups of people were considered, and recognize that they had the skills and potential to attain the Goals.

Many of the poorest people lived in countries in conflict or just emerging from it, he said, but little attention had been given to the relationship between conflict and the Millennium Goals. That was why the Secretary-General had stressed the indivisibility between security, development and human rights.

Noting also the huge gap between relief and development, he said that humanitarian agencies had made insufficient efforts to engage in and contribute to discussions and policy formulation on the Goals. Providing lifesaving humanitarian assistance would not be sustainable without an effective development strategy. Whether it was the eradication of extreme poverty, achieving universal primary education, or promoting gender equality and environmental sustainability, each of the Goals was just as important to humanitarian as development actors.

In conflict and post-conflict situations, humanitarian assistance must help lay the basis for longer-term development to attain the Millennium Goals, he stressed, and Goal strategies and programmes must include a conflict-prevention lens. Only through such an approach could the international community reduce the odds - 50 per cent - of a country sliding back into violence in the five years following the end of a conflict.

High-Level Policy Dialogue

JOSÉ ANTONIO OCAMPO, Under-Secretary-General for Economic and Social Affairs, said global economic growth had slowed, with gross world product expected to expand at a rate of 3.25 per cent in 2005 and 3.5 per cent in 2006, following 4.1 per cent in 2004. The anticipated growth of the world economy for 2004-2006 was unusually widespread among developing countries. Developing countries as a group were expected to grow at a rate approaching 6 per cent in 2005-2006. Long-standing disparities in growth among developing regions, however, remained, but they were less than on previous occasion

He said that higher economic growth in many developing countries was partially attributable to improvements in economic policies within the countries themselves. Also, domestic demand was playing a more important role because of those countries' more stable economic conditions. However, the outcome was also a result of a more favourable international economic environment. International trade had grown by some 11 per cent in 2004 and was forecast to increase by a further 8 per cent in 2005. At the same time, the international prices of many of the exports of developing countries, notably oil, had risen in the past couple of years, which had yielded a short-run benefit.

Financial flows to developing countries were increasing and their costs were low by historical standards, he said. Non-debt creating flows were assuming greater importance. For countries without access to international financial markets, ODA had reversed its decline. There had also been some further progress towards reducing the debt burden of some of the heavily indebted poor countries. Despite those improvements, the net transfer of financial resources from developing countries continued to increase. That net transfer reflected a build-up of foreign exchange reserves by a number of countries with trade surpluses, but the extensive accumulation of reserves raised the question of reform of the international financial system.

At the present time, a greater risk of a disruptive shock to the world economy seemed likely to stem from the large and widening global imbalances: the current account deficit of the United States was expected to rise to over \$700 billion in 2005, he said. Reflecting that deficit, the United States dollar had depreciated, but that depreciation did not appear to have had much corrective effect on the imbalances. There were dangers of increasing protectionism. In financial markets, there was the persistent possibility of further weakening of the dollar. Disorderly adjustments would have severely disruptive effects on world trade, global financial markets and, ultimately, global economic growth.

He said both analysis and evidence to date suggested that the depreciation of the United States dollar was not sufficient to reduce the imbalances to sustainable levels. A more comprehensive and long-term set of measures was required. Those measures should involve both deficit and surplus countries and avoid contractionary effects on developing countries. To achieve those objectives, there was a need for more concrete international economic coordination specifically aimed at rectifying the imbalances.

The present economic strength of many developing countries demonstrated that substantial progress was possible under the right domestic and global economic conditions, he said. Deterioration in the external environment stemming from the global imbalances would have an untoward effect on both the immediate prospects of developing countries and their longer-term development. It was from that perspective that addressing the global imbalances should be seen as part of the long-term global development agenda that was the theme of the ECOSOC session. Even the current improvement achieved by many developing countries was unlikely to be sufficient to enable them all to achieve the development goals. Further improvement in growth was necessary, and any loss of momentum would be critical. At the same time, in many smaller countries, notably in Africa, economic growth itself continued to languish and an even more substantial improvement was required for such countries to achieve the longer-term objectives.

SUPACHAI PANITCHPAKDI, Director-General of the World Trade Organization, said the December WTO meeting, to be held in Hong Kong, was crucial as it could be the foundation for

the final phase of the Doha round in 2006. It was necessary to achieve something substantive by the end of the year. He made several points regarding the global economic performance. For the first time in the last five decades, the share of developing countries in world merchandise exports had reached 31 per cent. Also, China's emergence as one of the world's most important traders had had a positive effect on world trade. It had given an impetus to economic expansion in Asia. But it was also producing some reactions from certain quarters, such as in areas of textiles and energy.

Noting the world economy's dependence on the United States economy, he emphasized the need to reduce the level of the United States trade deficit. But at the same time, when that happened, it would send ripples, slowing down the world economy. In addition, progress in the Doha development agenda would also create new problems for small and vulnerable countries.

He said that, for the first time, the trade negotiations were poised to achieve the kind of commitment needed to eliminate export subsidies and trade-distorting measures. The negotiations would also deal with issues of tariff peaks and escalation, which had all along prohibited countries from diversifying their economies. "This was the round that would touch on development on all fronts", he added. The Doha round would discuss trade-related technical assistance, would work on rules to give preferential treatment to developing countries, and discuss the special role of small economies, including the least developed countries, and related issues such as those debt and finance.

As for the least developed countries, he said that duty-free and quota-free access was important. Those countries would require support not only from the WTO, but also from international financial institutions, such as the World Bank and the IMF. They were looking for the strengthening of the integrated framework, in order to mainstream trade into poverty-reduction strategies. Another crucial issue for least developed countries was accession to the WTO. Agreement had been reached to give special facilities for acceding least developed countries to the WTO. He stressed the need to be able to tackle the issues of trade, debt and economic performance, ultimately resulting in poverty reduction.

JEAN-LOUIS SARBIB, Senior Vice-President and Head of the Human Development Network of the World Bank, said that with just 10 years left before the Millennium Goals fell due in 2015, the economic news for developing countries was better than for some years, but many of those same countries were falling behind in their efforts to achieve a set of goals which could transform the prospects of global humanity. The goal to halve poverty by 2015 would likely be met at the global level, but progress towards the Millennium Goals had been slower and more uneven across regions than originally thought, with sub-Saharan Africa falling far short. However, there were remedies available. In order to make progress, there was a need to focus on five major dimensions: ensuring that development efforts were country-owned; improving the environment for private sector-led economic growth; scaling up delivery of basic human services; dismantling barriers to trade; and doubling development aid in the next five years.

There had been progress on those five dimensions, he said, expressing hope that the G-8 meeting would confirm the announced debt cancellation. Debt forgiveness, however, could not come at the expense of new development aid, and the G-8 leaders must be urged to step up the amounts of long-term aid. Business as usual would not do. Education, health and literacy were crucial, and more attentions must be paid to implementation of the goals in service delivery. There were, however, three challenges of particular note: scaling up skilled providers; ensuring sustained financing; and improving governance and accountability to ensure that extra resources would bring about more effective service delivery.

Giving an example regarding the Millennium Development Goal concerning education, he said the World Bank had created the Fast Track Initiative, whereby donor countries would finance education projects of some developing countries. There had been some success, such as in Nicaragua, where, with \$3.5 million, 70,000 six-year olds could go to school. Some 25 countries were expected to benefit from the Initiative in the coming year, at an annual cost of

\$2 billion. The risk, however, was that that money might not be available. In a world tragically short of magic solutions, primary and secondary education offered one of the most dramatic development solutions.

He emphasized that there was not only a need to focus on HIV/AIDS, but also on such diseases as malaria. Those two diseases together were costing countries in Africa 2 to 3 per cent of gross national product (GNP). The World Bank had just launched a new global approach to help developing countries make faster progress in their fight against malaria. Drawing on recent successes in malaria control in Brazil, Eritrea, India and Viet Nam, the new "Global Strategy and Booster Programme" reflected a need for decisive action on a large scale in order to achieve impact to counteract the inadequacy of global efforts to control malaria. The Bank's working assumption was that a total commitment of \$500 million to \$1 billion was needed.

In order for economic growth to impact the lives of people, one must focus on delivery of services and ensure that poverty strategies were as inclusive and as well adapted to the realities of the countries as could be. If that could be done, there was a possibility of making poverty history, he said in conclusion.

CARLOS FORTIN, Officer-in-Charge of the United Nations Conference on Trade and Development (UNCTAD), said the last 18 months had been a good period for development and international development cooperation. With the global economy growing in 2004 at a robust 4 per cent, developing country economies had grown at a rate of 6.4 per cent, one of the highest of the last three decades. Thus, there were grounds to hope that significant progress could be made in the period ahead towards achieving internationally agreed development goals, but there were also potential pitfalls and a wider development agenda that needed attention. To begin with, good growth performance of developing countries was essentially due to the strengthening of world demand, notably from China, and the strong performance of the United States economy.

Any significant slowdown of world economic dynamism could set back performance in Africa, Latin America and many countries of Asia, he said. Moreover, even if present trends continued, some parts of the world, notably Africa and the least developed countries, would simply fail to reach growth rates needed to achieve the Goals within the envisaged deadlines, let alone launch a balanced and rounded process of sustainable development. A substantial increase in the availability of external resources was needed.

To that end, he continued, debt relief must be expanded and supplemented with progress in trade, as well as a large increase in ODA. In addition, a substantially increased rate of economic growth was needed to eliminate poverty, particularly in least developed countries. It had been shown that different investment and growth strategies had different effects on how the benefits of growth were distributed, with varying impacts on poverty and social entitlement. Thus, the question of what development strategies could put additional resources to good use became central.

Development strategies were needed that would speed up investment and growth, generate employment and reduce inequality and eradicate poverty, he said. Market forces and the private sector must direct the strategies, but they must be supported by an active, effective, and honest public sector. Policies were needed to foster industry - market-friendly but decisive policy interventions aimed at addressing market failure in allocating resources and steering investment and accumulation in desired directions.

Quoting Nobel Laureate Joseph Stiglitz, he said such policies and strategies should be guided by a national vision of where the economy was going specific to the conditions, history and circumstances of each country, which should be owned by the national government and civil societies of the country. For nationally rooted and owned development strategies to be successfully implemented, it was also vital that governance be improved. An ineffectual or

corrupt State could hardly generate or implement the right development policies or use resources productively.

REINHARD MUNZBERG, Special Representative of the International Monetary Fund (IMF) to the United Nations, said that in order to meet the Millennium Development Goals, it was necessary for all partners to do their share. Developing countries should adopt sound macroeconomic, structural and sectoral policies. But a healthy global economy and adequate support from the developed world were equally important. Implementation was key. The IMF stood ready to do its part.

The global economy had grown by an impressive 5.1 per cent last year, he noted. Growth this year was expected to slow moderately to about 4.3 per cent, but would remain relatively robust. Growth in sub-Saharan Africa had reached an impressive 5 per cent last year, the highest level in a decade. But more was needed to make decisive progress in poverty alleviation and meet the Millennium Goals. Indeed, the New Partnership for Africa's Development (NEPAD) targeted the necessary level of growth at about 7 per cent per year in order to achieve the Goals in sub-Saharan Africa.

The International Monetary and Financial Committee noted at its last meeting that widening imbalances across regions and the continued rise in oil prices and oil market volatility had increased risks. There were substantial gaps in growth performance between the regions of the world. The United States' current account deficit had increased significantly in recent years, while emerging Asia continued to run large surpluses. Addressing global imbalances and restoring and sustaining balanced growth to the world economy required vigorous collaborative efforts.

Indeed, effective poverty reduction needed high and sustainable growth, he said. Developing countries needed to intensify their reform efforts, including through further development of their own poverty-reduction strategies. That also required well targeted structural reforms to boost competitiveness and productive investment. Poor countries needed to find ways to harness the benefits of foreign direct investment (FDI) and private sector activity. Developed countries needed to scale up their aid to low-income countries, as pledged in the Monterrey Consensus. The IMF would continue providing assistance to help poor countries manage aid flows and to strengthen their institutions and human resources to manage their economic and financial policies. Debt relief was also important. In addition, developing countries needed more trade to generate the kind of sustained and rapid growth that was needed for meaningful poverty reduction.

#### High-level Dialogue

During the discussion, speakers welcomed the G-8 proposal to eliminate external debt in the poorest countries, but underscored the need to resolve the debt once and for all in other developing countries. Others underscored the importance of education in development -- at general primary, secondary and tertiary levels and in efforts to improve basic health systems.

Responding, Mr. MUNZBERG of the IMF said the G-8 proposal on debt relief was a step in the right direction, and was currently being discussed by the Fund's Executive Board. He himself was not in a position to anticipate the results of the discussion and asked for patience until it had been completed.

To another query on the IMF's proposed facility for economic shocks, he said it would consist of a signalling mechanism, by which the Fund would provide a "message" to lenders or donors on the outside when countries did not want to borrow due to their balance-of-payments position. Another idea was to develop instruments with the right terms and conditionalities for low-income countries when shocks occurred.

Other participants asked whether international financial institutions could assist African countries with supply-side constraints, and also about potential risks to the global economic situation. How realistic were those risks, and what impact could they have?

Responding to the question about economic risks, Mr. STIGLITZ, Nobel Laureate in Economics, noted that the United States economy had done well during the past year, but was faced with high debt financed by low interest rates. There was growing consensus among economists that such debt represented a significant risk to the global economy, although they could not predict if or when a crisis would occur. To address that risk, policies should be put in place to address massive macroeconomic imbalances in the United States.

Other potential problems were exchange rate volatility, which could make life difficult in developing countries, and the current political problems in Europe. Individual countries must adjust their domestic policies in the meantime, perhaps shifting away from dollar savings, and look at wealth management to insulate themselves against volatility.

With regard to supply-side constraints, Mr. SARBIB of the World Bank said the Bank had programmes in many countries to deal with that issue on different levels, such as trying to ensure the existence of an environment that was friendly to private investment. There was increasing recognition of the need to have the right kind of infrastructure, and to make sure that goods could get to ports. There was also a renewed emphasis on the Bank investing in publicly financed infrastructure. Efficiently managing ports and airports was another concern.

It was easy to recognize the need for the predictability of financing, he noted in response to another question, but more difficult to get it to happen. The Paris meeting in March had recognized the need to move towards a multi-year commitment, which ran against the budget rules in many countries, which could not make multi-year commitments. There was discussion on ways to get around that, such as the proposed taxes and a financing facility. The decision to move towards the 0.7 per cent ODA target by the European Union would provide resources that could then be programmed in a more predictable manner. What was encouraging was that those issues were being discussed in a concrete way.

Adding to his earlier comments, Mr. MUNZBERG of the IMF said the proposals he had referred to would be discussed with all the Fund's members. His unwillingness to elaborate on them was due to the fact that he did not know what the outcome of those discussions would be.

Mr. PANITCHPAKDI of the WTO said his organization lent support to capacity-building regarding training trade negotiators in order to be able to negotiate most effectively. He looked forward to the conclusion of the Doha round. He added that health issues were addressed in the Doha agenda, with regard to the interpretation of intellectual property rights to ensure affordable access to medicines. He was waiting to have a permanent amendment to the Trade-Related Aspects of Intellectual Property Rights (TRIPs) agreement.

Mr. FORTIN of UNCTAD highlighted the indivisibility of the issues of development, security and human rights, as mentioned by Secretary-General Kofi Annan. He was pleased that those issues had featured in the discussion. There was work to be done, and ECOSOC could explore the implications of the links between those issues. The Secretary-General's proposal to establish a Peacebuilding Commission was perhaps one way forward.

#### Round Table 1: Eradication of Poverty and Hunger

Opening the round table this afternoon on poverty and hunger eradication, organized by the Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), and the World Food Programme (WFP), was GERARD LATORTUE, Prime Minister of Haiti.



JACQUES DIOUF, Director-General, Food and Agriculture Organization, moderator, said that fighting hunger should be the primary objective, as farmers were fleeing the influx of foreign goods. The prime objective of the millennium was to fight poverty and hunger, and that was the precondition of the majority of the Millennium Development Goals. To achieve that, the fight in hunger required agricultural sector growth. Unfortunately, there were still 850 million hungry people in the world. If the current trends continued, it might only be possible to reach the 2015 Goals by 2050. More must be invested in the agricultural sector to make it less risky and less dependent on the problems of drought, floods and other natural disasters. Haiti was one such example of what could occur in those cases. There also needed to be an approach, in the case of crisis, natural or man-made, to immediately supply food aid to those in need.

CHARLOTTE MCLAIN-NHALPO, South African Human Rights Commission/World Bank, said that the facts around hunger seemed paradoxical. On the one hand, there was abundance in the world. On the other hand, hundreds of thousands of people still died of hunger. There had been much consensus this morning about the need to consider a human rights approach to hunger. One innovative approach had been used in South Africa, which had employed the Human Rights Commission as a mechanism to begin to address right to food issues. Some 22 countries in the world had made specific references to the right to food in their constitutions, but systems should be put in place to operationalize the meaning of that right.

Also important, she said, was to begin to look at possible domestic legislative frameworks to address hunger issues. Addressing the most vulnerable - those who could not afford or could not access food for themselves - was the State's responsibility. Women should be empowered, starting with the education of the girl child. National budgets should stipulate allocations related to the right to food. Infectious disease issues should also be addressed. There was a clear need to create pro-poor health policies, as they had a direct correlation to hunger and the right to food. Raising agricultural productivity was also crucial.

If the world was really serious about meeting the first part of the Millennium Development Goals, then good governance must be ensured, along with the rule of law, solid democratic institutions responsive to people's needs, improved infrastructure, peace and security, respect for human rights and gender equality, she said. Those elements should be complemented by a vibrant civil society. Unfortunately, it was not possible to wave a wand and wish away hunger. Nor was it possible to watch millions of children go to bed hungry, or watch and wait and fail the poor.

Lead discussant, ARMAND DE DECKER, Minister of Development Cooperation of Belgium, said that malnutrition in a world of surplus was quite unacceptable. At least 840 million people endured hunger on a daily basis. Adoption of the Millennium Goals was a wonderful and intelligent decision of modern times, which had allowed for a qualitative improvement in the human condition and for the emergence of the "guilt of indifference". That had also totally changed the form of development aid. Still, the tension between the North and South was one of the most difficult problems in the world now. If, for example, the Millennium Goals did not make great progress in a short time period, the pressures of migration would become unsustainable for the majority of the countries of the North.

He said that achieving the Millennium Goals required, above all, putting an end to the conflicts in the South, the majority of which were without any ideology. Those were pure power struggles, without any political or ideological content. Often, those countries could not separate themselves from the patterns of colonial structures and acquire their own identities, which allowed their peoples to relate to their institutions. It was vital that the institutions be comprehensible to the people they were designed to serve. Debt cancellation by the G-8 should be welcomed. Hopefully, the savings to the countries whose debt was cancelled would be used for development. That was not an easy task, but that would benefit the poorest countries, as well as those suffering from other crises. In that context, he supported the proposal to establish a Peacebuilding Commission.

Official development assistance was the clearest, simplest way to provide assistance and contribute to achievement of the Millennium Development Goals, which should be done in the context of the Monterrey Consensus. But, ODA was not sufficient to achieve development, he added. Sustaining development was only possible through the private sector and private investment. He also stressed the need to harmonize policies and procedures, and he called for a restructuring and strengthening of ECOSOC, thereby making it possible to have a body focus constantly on the Millennium Goals question.

In the discussion that followed, the centrality of adopting strategies aimed at countering poverty and underdevelopment in rural areas as stressed, as well as the situation of small farmers, who, trapped in a vicious cycle, needed material supplies and financial resources to allow them to earn incomes from their work.

The point was also made that the concept of poverty as monetary only, relating to an individual's income and based solely on economics, ignored poverty's complex structure. New indicators should be built, which included elements such as access to education at all levels, access to health care, to jobs that respected the individuals' rights, and to decision-making. Empowerment across the board would eradicate poverty. That element should be included among the millennium indicators, which went far beyond the economic indicators currently being used to determine the poverty line.

Clearly, the problem was one of distribution, when obesity and waste ran alongside malnutrition and hunger, another delegate said. There could not be dumping of food simultaneously with hunger. That should be outlawed and replaced with a system of managing the excess production in the world. Agriculture should again be given its rightful place. For the past 15 years, agriculture had been degraded. Restoring it meant making land available to rural populations. Ways must also be found to deal with price volatility, which was not rocket science.

Another speaker stressed illiteracy, ignorance and women's degraded role in societies in the South as contributing to poverty. Absolutely priority must be given to combating extreme poverty. Wherever there was illiteracy, there was poverty. So, in cases of extreme poverty, not only was there a need to provide safe drinking water and schools and health centres, but also a need to teach people to read and write, educate adults, provide microcredits, and encourage growth in the very vulnerable areas. If the urgent nature of poverty was not addressed, the development of poor people and their integration into a decent quality of life would be avoidably delayed. It was difficult to speak of informing people of their rights when they were hungry. The countries of the North needed to recognize the urgency of the problems of the South.

#### Round Table 2: Health

The Chairperson of the round table was Carin Jämtin, Minister for Development Cooperation of Sweden. Discussants were: Eugene Camara, Minister of Planning, Guinea; Thoraya Obaid, Executive Director, United Nations Population Fund (UNFPA); Joy Phumaphi, Assistant Director-General for Family and Community Health, World Health Organization (WHO); Victor Mari Ortega, Deputy Director, New York Office, Joint United Nations Programme on HIV/AIDS (UNAIDS); and Stephen Stedman, Special Adviser to the Secretary-General.

Discussants stressed that investment in reproductive health was essential in achieving the Millennium Development Goals and emphasized the need for greater support for women's abilities to take decisions in all aspects of their lives to improve their health, their family and the society. Access to services needed to be guaranteed. They noted that it was not a lack of resources or know-how to address the problems, but a lack of setting political priorities. Ms. OBAID stressed that the Millennium Development Goals could not be achieved unless greater attention was paid to reproductive health and women's empowerment.

Attention was also drawn to the migration of health workers from developing countries to developed countries, causing a "brain drain". A solution for that problem was to develop human resources management plans for all countries, not only the developing countries. The inability to deliver care was also addressed as something that prevented universal access to health services and family planning services. Ms. PHUMAPHI called, in that regard, for integration of health with transport, water and sanitation and with trade. Speakers also underlined the need for financing plans that addressed sustainability, but did not inhibit access and coverage.

The relationship between health and development was illustrated with the example of the HIV/AIDS pandemic. There was a vicious cycle between AIDS and poverty. Children who stayed in school were at lesser risk of becoming infected. Gender equality and women's empowerment reduced those that had to resort to the sex trade. If left unchecked, AIDS would bring more poverty. The only way to get ahead of the pandemic was through universal access to prevention and treatment. Prevention was key to controlling the HIV/AIDS pandemic, and the most important area of prevention was through reproductive health programmes, one speaker noted. Access to medications was also important. Many people did not have access to expensive medication, and the issue of developing generic drugs for developing countries should be addressed.

Speakers noted that malnutrition was one of the most important causes of infant mortality. Nutrition had been a major poverty issue for women. Especially in areas hit by conflict and HIV/AIDS, women were the main producers of food. Access to food was critical.

Another speaker drew participants' attention to the problems of health in areas of conflict and other crisis. Catastrophes such as conflict and pandemics had unspeakable consequences for health and for attaining the Millennium Development Goals. The maternal health indicator showed the most inequity. It was quite frightening to see that a woman in sub-Saharan Africa had a one in 16 chance of dying in child birth.

A key barrier to meeting all the Millennium Development Goals was the state of health systems, speakers said. Health systems did not reach the people that needed them. Equity was an important factor in that regard. The inequity in health status, in access to health care and access to aid was a very stark fact. Abuse and neglect by the health system had come to define what it meant to be poor.

Another issue discussed was the question of what to prioritize - care or prevention. Most speakers emphasized prevention. A representative of the private sector noted that care required human resources, while prevention could be provided very cost-effectively by education and technology.

The representative of Iraq said that in his country, the first and foremost victims of the events over the last decades were women and children. The United Nations and its agencies had a responsibility to intervene. Yet, such services were not provided because of a lack of security, and a fear that personnel could be harmed. Ms. OBAID said, in that regard, that all agencies were working out of Amman, Jordan, and depended on national staff to deliver services.

Summarizing the discussion, Mr. STEDMAN said health was vital for development, security and respect for human rights. What could work was known, but the health systems were not there to deliver the knowledge. Neither was there the necessary leadership and urgency of response. He noted that the issue of public health had not gotten the attention and urgency that other Millennium Development Goals had received.

Round Table 3: Global Partnerships and Financing of MDGs (Millennium Development Goals)

Chaired by Ishrat Hussain, Governor of the State Bank of Pakistan, speakers during this round table highlighted the importance of the appropriate resource use, development ownership, national development strategies, good governance, and joint donor-recipient responsibilities in country efforts to reach the Millennium Goals.

Opening the discussion, CARLOS FORTIN, Officer-in-Charge of the United Nations Conference on Trade and Development, who moderated the round table, said development depended not only on the sum of available resources, but their appropriate use. Debt, for example, was a way of acquiring resources to increase investment, production and growth, as well as to expand social services. The same argument applied to ODA and foreign direct investment (FDI), which must be used to maximize the impact of increased resources in both the economic and social sectors.

Other participants stressed the importance of ownership and national development strategies supported by domestic resources, as well as good political and economic governance to attract foreign investment, and investments in human resources to sustain development. Welcoming the recent European Union decision to increase ODA to 0.7 per cent by 2015, which one speaker noted would add \$20 billion per year towards development, they also stressed that aid was also essential.

Several speakers emphasized that budgetary support for social structures and cohesion was as essential as economic infrastructure. Without a society that kept pace, one delegate pointed out, a country could not possibly reach sustainable development.

Other speakers underscored the importance of joint efforts by developed and developing countries in attaining development goals, lamenting the low levels of FDI to the world's poorest countries, and unfulfilled promises of ODA. They also stressed that extra assistance for unexpected circumstances, such as the South Asian tsunami disaster, should not be confused with scheduled aid to finance the Goals.

Participants also pointed out that the quality, effectiveness and coordination of aid should be the joint responsibility of both donors and developing countries. However, whether such aid was allocated to the social, agricultural or industrial sectors should be determined by a country's national strategy. Also vital in boosting development was the appropriate mix of ODA, FDI or debt relief, since some nations had more need of well placed investment than they had for forgiven debt.

One speaker urged participants to remember that ODA included debt relief, and that \$15 billion in debt relief would be provided to Iraq over the next two years. She questioned how much ODA was actually fresh new money to fund development in developing countries. Adding that a substantial portion of ODA went to aid bureaucracies, conferences and summits, she said there was little point in raising ODA without changing its means of delivery.

**Participants also stressed the importance of getting domestic investors in developing countries interested in production and reversing capital flight. Social investment was also vital, they said, since a nation must have a skilled labour force to attract FDI.**

## **Japan to double Africa official development aid over three years - minister**

376 words

28 June 2005

06:16

[BBC Monitoring Asia Pacific](#)

English

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Excerpt from report by Seana K. Magee, carried in English by Japanese news agency Kyodo

New York, 27 June: Japan will double its official development assistance to Africa over the next three years, Ichiro Aisawa, Japan's senior vice foreign minister, pledged Monday [27 June] at a UN conference.

The move is seen as an effort to appeal to African nations, who hold a key to Japan's possible inclusion as a new permanent Security Council member.

Japan, along with Germany, Brazil and India, which are also seeking permanent membership of the council, is eyeing the outcome of the African Union conference in July. The four nations, known as the Group of Four, are then likely to submit a draft resolution to increase the number of permanent and non-permanent seat holders on the powerful council.

UN Secretary-General Kofi Annan has also urged all developed countries to establish fixed timetables for reaching the target of 0.7 per cent of gross national income devoted to development assistance by 2015.

Japan has said it will make efforts towards the goal, but has not indicated a specific timetable. Japan, however, has elaborated on the three-year target to the benefit of African nations.

"Part of this expansion strategy is the doubling of our ODA to Africa over the next three years," Aisawa told a **financing for development** conference of the world body. "Grant aid will continue to be the central feature of this increased assistance to Africa."

Japan was among dozens of countries that spoke out on the topics of aid, trade and debt relief in the follow-up meeting to the development summit that took place in Monterrey, Mexico, in 2002.

"We in Japan will continue our efforts towards the goal of providing ODA equal to 0.7 per cent of our gross national income," he said. "With this in mind, we are committed to maintain a credible and sufficient level of ODA in years to come," he added, referring to Japanese Prime Minister Junichiro Koizumi's commitment that was announced at the Asia-Africa Summit held in Indonesia in April. [passage omitted]

Source: Kyodo News Service, Tokyo, in English 0217 gmt 28 Jun 05

## ***UN assembly holds ministerial meeting on financing for development***

The UN General Assembly concluded on Tuesday a two-day ministerial meeting to assess progress in implementing a landmark agreement reached in 2002 in Monterrey, [Mexico](#), on financing for development.

The meeting brought together ministers, vice ministers and ambassadors from nearly 80 UN members states. Representatives from a number of international organizations, including the World Bank, also attended the gathering.

The event took place as the General Assembly is holding debate on the outcome document for the 2005 world summit in September, and in the immediate run-up to the Group of 8 (G-8) meeting, where development finances head the agenda.

The overall focus of the dialogue was on the status of worldwide efforts to implement the Monterrey Consensus and the way forward. The Monterrey Consensus is the landmark agreement adopted by world leaders in Mexico at the 2002 International Conference on Financing for Development.

It calls for the resources to meet the Millennium Development Goals and the conditions that will enable freer trade, more foreign investment, debt relief and efficient government.

The Millennium Goals, endorsed by heads of state at the UN Millennium Summit in 2000, are a set of qualified targets ranging from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by 2015.

UN Secretary-General Kofi Annan, in his opening statement, noted that many years of hard work had brought the international community to the threshold of a breakthrough in its pursuit of development and human dignity.

He called on developed countries to take the lead in creating a development-friendly trading system, increase their official development assistance and reduce foreign debt of the developing countries.

*Source: Xinhua*

## ***UN report says stronger entrepreneurship helps development financing***

Ahead of the General Assembly's ministerial-level Dialogue on Financing for Development next week, UN Secretary-General Kofi Annan has issued a report outlining ways to create a healthy business environment that can help boost socio-economic growth in poor countries.

The report covered a range of issues dealing with strengthening the role of the private sector and entrepreneurship in financing for development and examined the key requirements for improving the overall business environment in developing countries.

It focused on six main criteria in that regard: appropriate and enforceable regulations; labor and related standards; access to finance; infrastructure; accurate timely information, and macro-economic stability.

Annan also highlighted measures that can create healthy firms and strengthen entrepreneurship in local economies, particularly creating conditions that promote skills training and learning.

He stressed that entrepreneurship is responsible for much of the competition and innovation in the business world and is also held as central to nations trying to attain competitiveness in international markets.

The secretary-general noted that entrepreneurs are generally divided into "necessity entrepreneurs", who try to start up a business because they have no jobs, and "opportunity entrepreneurs", who fulfill traditional entrepreneurship roles.

As for pursuing opportunities for entrepreneurship in developing and least developed countries, the report suggested the strengthening of global public-private partnerships, boosting private sector networks, linking smaller business to help facilitate the transfer of technology and information, and targeting the poorest consumers, who are generally eager to purchase quality goods and services, in new and innovative ways.

The overall focus of the assembly's high-level dialogue on financing for development will be on the status of worldwide efforts to implement the Monterrey Consensus and the way forward.

The two-day meeting, set for June 27-28, will be built around a series of formal and informal meetings and six interactive round table discussions on issues that include international trade as an engine for development, and mobilizing domestic financial resources for development.

The Monterrey Consensus is the landmark agreement adopted by world leaders in [Mexico](#) at the 2002 International Conference on Financing for Development. It calls for the resources to meet the Millennium Development Goals (MDGs) and the conditions that will enable freer trade, more foreign investment, debt relief and efficient government. The MDGs are a set of targets designed to halve or eradicate listed socio-economic ills by 2015.

*Source: Xinhua*

[http://english.people.com.cn/200506/23/eng20050623\\_191885.html](http://english.people.com.cn/200506/23/eng20050623_191885.html)



## ***Annan calls for united effort of nations for cause of development***

UN Secretary-General Kofi Annan on Monday called on both developing and developed countries to work together for the cause of development.

Annan made the remarks to the General Assembly High-Level Dialogue on Financing for Development, which is being held on Monday and Tuesday.

"I think we can all sense that this is a period of extraordinary promise a moment when your decisions can make history," the Secretary-General said.

"Many years of hard work have brought us to the threshold of a breakthrough in our pursuit of development and human dignity," he noted. "It is widely recognized not only that poverty must be defeated, but that it can be."

Annan pointed out that many developing countries have succeeded in lifting millions of people out of impoverishment and despair.

He stressed that "the Millennium Development Goals have become a rallying point of unparalleled scope the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged."

"The Monterrey Consensus has brought rich and poor countries together in partnership," he added, saying "the Millennium Project has given us a plan of action."

"Let us work together for a successful World Summit," Annan said, mentioning the 2005 World Summit in September. "Let us grasp this opportunity to advance the cause of development, as well as the security and human rights agendas that are so closely bound up with it."

"Let us show that needless, senseless human misery shall have no place in our world," he concluded.

Source: Xinhua

[http://english.people.com.cn/200506/28/eng20050628\\_192828.html](http://english.people.com.cn/200506/28/eng20050628_192828.html)

## **UN assembly holds ministerial meeting on financing for development**

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UNITED NATIONS, June 28 (Xinhuanet) -- The UN General Assembly concluded on Tuesday a two-day ministerial meeting to assess progress in implementing a landmark agreement reached in 2002 in Monterrey, Mexico, on financing for development.

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breakthrough in its pursuit of development and human dignity.

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This story was found at: [http://news.xinhuanet.com/english/2005-06/29/content\\_3149458.htm](http://news.xinhuanet.com/english/2005-06/29/content_3149458.htm)

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*Source: Xinhua*



## Annan's appeal to world leaders

PTI[ TUESDAY, JUNE 28, 2005 12:27:12 PM ]

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UNITED NATIONS: UN Secretary-General Kofi Annan has made an impassioned plea to developed nations to provide funding and developing nations to affect necessary reforms to clinch the global deal to advance the cause of development, as well as the security and human rights agendas.

After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, he said opening the General Assembly's segment on Dialogue for Financing for Development and asked the world leaders not to let the opportunity slip by.

The ministers are discussing the implementation of landmark Monterrey Consensus, an agreement adopted by world leaders at their summit in Mexico in 2002.

Annan, who is vigorously pursuing his reforms agenda, said the Millennium Development Goals have become a rallying point of unparalleled scope- globally accepted benchmarks by which policies should be fashioned and the progress judged.

The goals aim at substantially reducing or eliminating several economic and social ills worldwide by 2015.

Published on [TaipeiTimes](http://www.taipeitimes.com)

<http://www.taipeitimes.com/News/world/archives/2005/06/29/2003261347>

## France leads call for airline tax

**POVERTY REDUCTION:** With the UN pushing for member countries to pledge more money to meet its goal of halving poverty, one group of countries says the tax will help

AP , United Nations

Wednesday, Jun 29, 2005, Page 6

Advertising

France, Brazil, Chile and Germany called for a tax on airline tickets to help finance the global fight against poverty, and urged all countries to support the proposal.

The idea for a "solidarity levy" was presented by France's Minister of Economy and Finance Thierry Breton at a two-day UN ministerial meeting to follow up on commitments made three years ago at the UN summit on financing development in Monterrey, Mexico.

In the search for new ways of funding the UN goal of halving extreme poverty by 2015, Breton said an airline tax was "one of the most promising solutions for the developing countries and for the international aid architecture."

He said airline tickets were chosen because airlines benefit from globalization and pay low tax rates, because airline passengers "are rarely among the poorest citizens," and because the practical and legal feasibility of similar levels has been proven in Britain and elsewhere.

"In view of the need for immediate action and for proof that this is a workable approach, France, Brazil, Chile and Germany are therefore calling for the rapid implementation of a pilot solidarity levy based on airline tickets," Breton said.

He said the tax could be different for domestic and international travel and



for economy and business seats, and it could also vary depending on a country's wealth. The proceeds would go through existing institutions "to avoid needless bureaucracy" and could be used to finance urgent programs such as vaccination campaigns or AIDS treatment, he said.

As an example, Breton said, if all countries participated a tax of 5 euros (US\$6.08) per passenger, with a 20 euro (US\$24.32) surcharge for business class, it would generate about 10 billion euros (US\$12.16 billion) a year.

That's almost one-quarter of the estimated annual funding shortfall to meet the UN development goals, which also include ensuring universal primary education and stemming the AIDS pandemic by 2015, he said.

A year ago, he said, "the very idea of an international levy was taboo and considered inappropriate" but today it is on the agenda of the UN, the International Monetary Fund, the World Bank, the EU and the Group of Eight major industrialized nations who are meeting in Scotland from July 6-8.

"Many countries in both the northern and the southern hemisphere have already pledged support while others are planning to support us in the near future," he said.

Breton urged all countries to back the ticket tax in the run-up to the UN summit in September that Secretary-General Kofi Annan has called to tackle UN reform and adopt measures to achieve the UN development goals.

With more than 2 billion people living on less than US\$2 a day, Annan called for "dramatic action" by developed and developing countries to ensure the goals are met, saying "never, perhaps, have a few weeks mattered so much for the world's poor."

Britain's International Development Secretary Hilary Benn warned that at the present rate of progress, "poverty will not be halved until 2150 -- 135 years too late" and "primary education for all will not be achieved until 2130 -- 115 years too late."

Since the 1960s, the UN has called for rich countries to increase aid to 0.7 percent of their national incomes. All 25 EU nations have recently pledged to reach that target by 2015.

Benn said that would double EU aid from US\$40 billion to US\$80 billion in 2010, with half going to Africa. He said the test of the G8 summit, in Gleneagles, Scotland, will be whether it comes up with the additional US\$25 billion a year needed for Africa in 2010.

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## **India seeks greater voice for developing nations**

United Nations, June 29. (PTI): Observing that decision-making in international institutions remains heavily weighed in favour developed states, India has strongly advocated giving greater voice to developing countries to reduce the "democratic deficit" in their working.

Minister of State for External Affairs E Ahamed, during interaction at a roundtable organised in connection with UN General Assembly session on 'Financing for Development", called for structural reform of the world financial institutions aimed at redistributing of voting power in favour developing nations.

It is extremely important, he said, that this question be addressed at an early opportunity as the structural reforms could have "direct and beneficial impact" on the ability of developing countries to influence the multilateral trading and financial systems which do not "always take their interests into account," he said yesterday.

Warning the rich nations that global imbalances cannot be resolved through "independent or unilateral" actions, Ahamed asked the major countries to recognise the impact of their macro economic policies on all participants in the international economy and promote co-operation to ensure orderly resolution of the issue.

# THE HINDU

## **News Update Service**

Wednesday, June 29, 2005 : 1250 Hrs

### **Annan urges EU to go further to assist developing nations**

United Nations, June 29. (PTI): UN Secretary-General Kofi Annan has urged the European Union to go further in its efforts to assist developing countries.

The EU is well-placed to increase the participation of developing countries in global economic decision making, by agreeing to changes at the World Bank and the International Monetary Fund, Annan said yesterday.

He was speaking at a lunch hosted by the EU on the sidelines of the General Assembly's two-day meeting on Financing for Development.

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## **General News: Domestic Resources Important for Development: Finance Minister**

223 words  
30 June 2005

### [Vietnam News Brief Service](#)

English

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Minister of Finance Nguyen Sinh Hung has reiterated the decisive role of domestic resources while also saying that foreign resources are necessary for the development of Vietnam.

Speaking at the second UN High-level Dialogue on **Financing for Development** held at UN Headquarters in New York on June 27-28, the minister highlighted Vietnam's efforts in implementing its commitments to the Monterrey Consensus to establish a market economy, promote domestic resources, and create a conducive climate for foreign investment.

Economic development should be combined with maintaining political stability, solving social problems and reducing poverty, Hung told the UN meeting, which was attended by participants from 80 delegations, half of whom were of the ministerial level and many of whom came from international financial institutions such as the International Monetary Fund, the World Bank and the World Trade Organization.

The conference recognized the international community for its great efforts to strengthen the partnership for development, especially reflected by the EU's commitments to double aid in the next five years and the G-8's decision to write off debts for the least developed nations.

**The participants, however, called on developed countries to speed up the roadmap for increasing their commitments of official development assistance to 0.7% of their Gross National Product (GNP).**

## **Aisawa stresses Japan's resolve to double ODA to Africa**

Seana K. Magee

561 words

27 June 2005

21:48

[Kyodo News](#)

English

(c) 2005 Kyodo News

Japan will double its official development assistance to Africa over the next three years, Ichiro Aisawa, Japan's senior vice foreign minister, pledged Monday at a U.N. conference.

The move is seen as an effort to appeal to African nations, who hold a key to Japan's possible inclusion as a new permanent Security Council member.

Japan, along with Germany, Brazil and India, which are also seeking permanent membership of the council, is eyeing the outcome of the African Union conference in July. The four nations, known as the Group of Four, are then likely to submit a draft resolution to increase the number of permanent and nonpermanent seat holders on the powerful council.

U.N. Secretary General Kofi Annan has also urged all developed countries to establish fixed timetables for reaching the target of 0.7 percent of gross national income devoted to development assistance by 2015.

Japan has said it will make efforts toward the goal, but has not indicated a specific timetable. Japan, however, has elaborated on the three-year target to the benefit of African nations.

"Part of this expansion strategy is the doubling of our ODA to Africa over the next three years," Aisawa told a **financing for development** conference of the world body. "Grant aid will continue to be the central feature of this increased assistance to Africa."

Japan was among dozens of countries that spoke out on the topics of aid, trade and debt relief in the follow-up meeting to the development summit that took place in Monterrey, Mexico, in 2002.

"We in Japan will continue our efforts toward the goal of providing ODA equal to 0.7 percent of our gross national income," he said.

"With this in mind, we are committed to maintain a credible and sufficient level of ODA in years to come," he added, referring to Japanese Prime Minister Junichiro Koizumi's commitment that was announced at the Asia-Africa Summit held in Indonesia in April.

Meanwhile, Heidmarie Wieczorek-Zeul, Germany's federal minister for economic cooperation and development, reiterated her country's plan for raising the German ODA to 0.51 percent between 2006 and 2010 and to 0.7 percent by 2015.

"By increasing ODA, we can, firstly, show partnership between industrialized and developing countries on a lasting basis," she said.

Andrew Natsios, administrator of the U.S. Agency for International Development, spoke out against the emphasis on achieving numerical targets.

"We do not believe that there are any magic numbers for achieving our mutual goals," he said.

It "is not about the mobilization of resources alone; it is about consistent, dedicated effort and commitment to change in the true partnership that we pledged to strengthen in Monterrey," he said.

But Natsios indicated that the United States is among nations that have called for cancellations of debts by poor nations.

"We, and other G-8 countries, have called for 100 percent cancellation of debt obligations owed to the World Bank, African Development Bank, and the International Monetary Fund by countries eligible for the Heavily Indebted Poor Countries Initiative," which will result in about \$40 billion in immediate debt relief, he said.

The Group of Eight comprises Britain, Canada, France, Germany, Italy, Japan, Russia and the United States.

The conference will end on Tuesday.



## **Annan asks world leaders to clinch global deal on development**

252 words

28 June 2005

[The Press Trust of India Limited](#)

English

(c) 2005 Asia Pulse Pte Limited

United Nations, June 28 (PTI) UN Secretary-General Kofi Annan has made an impassioned plea to developed nations to provide funding and developing nations to affect necessary reforms to clinch the global deal to advance the cause of development, as well as the security and human rights agendas.

After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, he said opening the General Assembly's segment on Dialogue for **Financing for Development** and asked the world leaders not to let the opportunity slip by.

The ministers are discussing the implementation of landmark Monterrey Consensus, an agreement adopted by world leaders at their summit in Mexico in 2002.

Annan, who is vigorously pursuing his reforms agenda, said the Millennium Development Goals have become a rallying point of unparalleled scope- globally accepted benchmarks by which policies should be fashioned and the progress judged.

The goals aim at substantially reducing or eliminating several economic and social ills worldwide by 2015.

"The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the Secretary-General referring to the three-day meeting of the Group of Eight industrialised countries beginning on July 6 and the Assembly's upcoming September summit to review the MDGs and make decisions on UN renewal.

## 'Developing nations need UNSC representation to achieve goals'

480 words  
28 June 2005

### [The Press Trust of India Limited](#)

English  
(c) 2005 Asia Pulse Pte Limited

United Nations, June 28 (PTI) Emphasising that the United Nations must be given a "pivotal role" in setting the global development agenda, India has said developing nations should be given a representation in the UNSC which would help them realise their political and economic agenda.

India's Minister of State for External affairs E. Ahamed, who addressed the UN General Assembly's special session on '**Financing For Development**' on Monday, also asked the industrialised countries to demolish their trade barriers with developing states and increase official Development Assistance which would enable them achieve the Millennium Development Goals.

He also called for a major reform in the agriculture trade sector, including reduction and elimination of subsidies by developed nations, so as to make it an "engine of growth and poverty reduction" in the developing countries.

Ahamed's remarks assume significance in the context of statistics released by the United Nations which show that last year, total ODA was USD 78.6 billion and subsidies given by the rich countries to their farmers and agricultural business amounted to a whopping USD 378 billion "more than four times their aid disbursement."

To ensure effective realisation of political and economic agenda of the developing world, he stressed the need for expansion of the 15-member Security Council, "currently the strongest body of the United Nations," by giving representation to the developing nations.

India, along with Japan, Germany and Brazil, is a strong contender for a permanent seat in the Council.

Stressing that a "pivotal role" be given to the UN in setting the global development agenda including in relations to trade, external debt, money and finance and technology, Ahamed said the world body has to provide political guidance to its specialised agencies as also World Bank, the International Monetary Fund and the World Trade Organisation.

Disagreeing with Secretary-General Kofi Annan's recommendation for establishing an executive committee of Economic and Social Council (ECOSOC) to facilitate co-operation with multilateral institution dealing with finance and trade, he pointed out that the United Nations has to play a "predominant role" in setting the direction and delineating and guiding the international macro-economic agenda.

Strongly backing debt relief to the Highly-Indebted Poor Countries (HIPCs) and low income states facing resource crunch for achieving MGDs, Ahamed stressed that to be effective, the debt write-offs must be accompanied by better terms of trade, greater access to the market of rich countries and investment inflows.

Recalling that Monterrey consensus emphasises the role of State in Socio-economic development, he cautioned against limiting its role to only providing a favourable macro-economic, legal and regulatory framework for private sector growth and for attracting investment from abroad.

"It needs to undertake substantial investment in human development sector and in basic physical, social and institutional infrastructure," he told the 191-member Assembly.

## INTERNATIONAL UN-AHAMED

### 'Developing nations need UNSC representation to achieve goals'

Dharam Shourie United Nations, June 28 (PTI) Emphasising that the United Nations must be given a "pivotal role" in setting the global development agenda, India has said developing nations should be given a representation in the UNSC which would help them realise their political and economic agenda,.

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INTERNATIONAL  
UN-ANNAN

## Annan asks world leaders to clinch global deal on development

United Nations, June 28 (PTI) UN Secretary-General Kofi Annan has made an impassioned plea to developed nations to provide funding and developing nations to affect necessary reforms to clinch the global deal to advance the cause of development, as well as the security and human rights agendas. After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, he said opening the General Assembly's segment on Dialogue for Financing for Development and asked the world leaders not to let the opportunity slip by. The ministers are discussing the implementation of landmark Monterrey Consensus, an agreement adopted by world leaders at their summit in Mexico in 2002. Annan, who is vigorously pursuing his reforms agenda, said the Millennium Development Goals have become a rallying point of unparalleled scope-globally accepted benchmarks by which policies should be fashioned and the progress judged. The goals aim at substantially reducing or eliminating several economic and social ills worldwide by 2015. "The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the Secretary-General referring to the three-day meeting of the Group of Eight industrialized countries beginning on July 6 and the Assembly's upcoming September summit to review the MDGs and make decisions on UN renewal.

[http://www.outlookindia.com/pti\\_news.asp?id=307142](http://www.outlookindia.com/pti_news.asp?id=307142)



GENEVA, June 28 (SANA): Pakistan has underlined the need for strengthening the role and contribution of the UN Economic and Social Council.

Pakistan's permanent representative to the UN, Munir Akram said this while addressing the UN General Assembly during its High Level Dialogue on Financing for Development.

He said trade can help in securing enhanced resource flow for development.

He said unanimity existed in calling for an early, successful and genuinely development-oriented outcome of the Doha Round of multilateral trade negotiations.

At the High Level Dialogue, several other participants underscored the need for generating favourable business conditions for both domestic and foreign investors.



法國司法人員訪財政部 / 或與 **Rhodia** 案有關

217 words

28 June 2005

[AFX 亞洲財經 \(繁體\)](#)

Chinese - Traditional

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巴黎 (XFN-ASIA) - 消息人士透露, 負責法國化學企業 Rhodia 賬目案件的司法人員周一赴財政部進行調查, 原因是此案發生期間財長 **Thierry Breton** 正在該公司擔任董事。

**Rhodia** 並稱, 該公司設在巴黎的總部同時遭到司法部門搜查。

財政部發言人指, **Breton** 尚在紐約聯合國總部訪問, 該部辦公室負責人接待了司法人員, 但未說明後者此行的原因, 以及是否與 **Rhodia** 案有關。

**Breton** 於 99 至 02 年在 **Rhodia** 任董事職務, 與此案調查時間相同; 但 **Breton** 已斷然否認與此案有染, 並稱, 他任職期間僅負責該公司審計程序的改進。

**Breton** 將於周二返回法國。

ch



## **India backs millennium development goals:-**

United Nations | June 28, 2005 10:43:55 PM IST

India has reinforced its bid for a seat on the UN high table by reaffirming its commitment to the UN Millennium Development Goals (MDGs) which seeks to create an equitable world free from hunger, poverty and illiteracy by 2015.

Calling for "restoring development" as the centrepiece of the UN global agenda, Minister of State for External Affairs E Ahamed Monday said here that "only the permanent membership of developing countries" can translate the political and economic agenda of the developing world into reality.

"We have consistently held that the United Nations should have the pivotal role in setting the global development agenda," he said at the High-Level Dialogue of the General Assembly on Financing for Development.

"As in the case of international trade, financial and monetary organisations, so also in the currently strongest body of the United Nations, it is only the permanent membership of developing countries as a group in solidarity, which can contribute effectively to realising the political and economic agenda of the developing world," he said.

"This would increase policy space and participation for all and the change in the co-relation of forces would strengthen the General Assembly and the Economic and Social Council (ECOSOC)," he added.

Calling for greater voice and representation of the developing countries in the international financial institutions and the decision-making, he said: "Democratic deficit in the governance of Bretton Woods Institutions needs to be addressed to enhance legitimacy, transparency, accountability and ownership of decision-making process."

Alluding to the Monterrey consensus arrived at the International Conference on Financing for Development in 2002 in Monterrey, Mexico, he backed a greater synergy between the World Bank, the International Monetary Fund (IMF) and the World Trade Organisation and the United Nations Conference on Trade and Development (UNCTAD) for achieving MDGs.

He also urged members to make the Doha Round of trade talks "development oriented in reality and backed the extension of further debt relief to Highly-Indebted Poor Countries [HIPCs] and low-income countries facing problems of inadequate resources for financing MDGs.

Alluding to innovative financing schemes to meet MDGs due to the inadequacy of official development assistance (ODA), he said: "We stress the need to ensure that new mechanism and new sources should not lead to greater burdens on developing countries."

Ahamed advocated a major reform of agricultural trade and subsidies policies in developed countries, liberalisation of services sectors, removal of barriers against trade as some key steps that needed to be implemented to achieve MDGs.

(IANS)

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Hindustan Times

**June 27, 2005 Monday 1:40 PM EST**

**LENGTH:** 1433 words

**HEADLINE:** MINISTER OF STATE FOR EXTERNAL AFFAIRS AHAMED'  
STATEMENT AT HIGH-LEVEL DIALOGUE OF GENERAL ASSEMBLY ON  
FINANCING FOR DEVELOPMENT

**BYLINE:** Hindustan Times

**DATELINE:** NEW YORK

**BODY:**

NEW YORK, June 27 -- The Government of India's Ministry of External Affairs issued the following press release:

Statement by Shri E. Ahamed, Minister of State for External Affairs, at the High-Level Dialogue of the General Assembly on Financing for Development

Mr. President,

We welcome this opportunity to participate in the High-level Dialogue of the General Assembly on Financing for Development. We have consistently held that the United Nations should have the pivotal role in setting the global development agenda, including in relation to trade, external debt, money and finance, and technology, and in providing political guidance to the work of the Specialised Agencies, including, in particular, the World Bank, the International Monetary Fund and the World Trade Organisation.

Mr. President,

The Monterrey consensus emphasises the role of the State in socio-economic development and the importance of public investment in this context. We believe that the role of the State should not be limited to providing a favourable macro economic, legal and regulatory framework for private sector growth and for attracting investments from abroad. It needs to undertake substantial investment in human development sectors and in basic physical, social and institutional infrastructure.

There is urgent need for transforming the Monterrey consensus into concrete action. We welcome the recommendations of UN Secretary-General to establish fixed time-tables for developed countries to achieve the 0.7 percent target by 2015 at the latest, with an intermediate target of roughly doubling aid to 0.5 percent for 2009, and to direct more aid to the least developed countries, as well as to make concrete commitments to improve the quality of aid.

The absence of substantial progress in infusing adequate amounts of additional Official Development Assistance [ODA] to meet the Millennium Development [MDGs] has prompted exploration of various innovative financing mechanisms. It is a truism that enhanced rates of growth cannot be achieved without increasing the investment ratio and the marginal output capital ratio. In short, both finances and efficiency are required. The Sachs Report has clearly concluded that ODA levels cannot be increased sufficiently, and sufficiently rapidly, to meet development needs, including the achievement of MDGs. Therefore, innovative financing is inevitable. Different proposals have been made to raise resources for development. These range from an international travel surcharge through a variant of the Tobin tax and allocation of developmental Special Drawing Rights [SDRs] to the most apparently popular, namely, an International Finance Facility [IFF] that would leverage the amount got by front-loading ODA in the money market, presumably through bonds. In any case, it would be important to ensure that ODA does not fall below a pre-committed level. These proposals for innovative mechanisms continue to face several challenges. In this context, we stress the need to ensure that new mechanism and new sources should not lead to greater burdens on developing countries. Innovative financial mechanisms and innovative sources of financing should not impact adversely on the existing level of resource flows.

While ODA would help achieving the MDGs, trade would help in sustaining the gains. In this context, it is important to make the Doha Round of Trade talks development oriented in reality and to bring the Round to a conclusion expeditiously. A major reform of agricultural trade and subsidies policies in developed countries is needed so that agriculture can become an engine of growth and poverty reduction in developing countries. Liberalisation of services sectors to facilitate exports and removal of service provision restrictions will be essential to enable countries to reap the benefits of their comparative advantages. Developing countries need greater protection for their biodiversity resources and fair recompense for its exploitation by others. It is time to bring down the barriers not just against trade but also the barriers to development erected in several industrial economies, which deny opportunities for faster growth in developing countries. In the case of Non Agricultural Market Access [NAMA], it is particularly important that any reduction formula adopted does not infringe the principle of special and differential treatment and the flexibilities available to developing countries in the July 2004 Framework Agreement. We welcome, in this context, UN Secretary-General's call to conclude the Doha Round of trade negotiations by 2006, as long as the outcome would give substance to the claim that this would be truly a 'development round'.

Mr. President,

Statistics from Sub-Saharan Africa demonstrate that debt-constrained structural adjustment policies compounded the problem through decline in agricultural investment. It logically follows that any achievement of MDGs in a sustained manner, leading to real economic transformation, is hardly possible without a fundamental reform of international economic and monetary institution. Democratic deficit in the governance of Bretton Woods Institutions needs to be addressed to enhance legitimacy, transparency, accountability and ownership of decision-making process. Since Monterrey the progress has been limited to and distracted by peripheral issues which are not central to enhancement of 'voice' in decision-making. We would strongly urge gaining of

momentum towards tackling the central structural issue of voting power. The need for greater voice and representation of the developing countries in the international financial institutions and the decision-making processes cannot be over-emphasised. Good global economic governance is as important as good national governance for economic efficiency.

We support the extension of further debt relief to Highly-Indebted Poor Countries [HIPCs] and low-income countries facing problems of inadequate resources for financing MDGs. This, we feel, is of critical importance for the economic stability and prospects of the highly indebted and the least developed among us. Debt payments and worsening terms of trade can neutralise all efficiency gains from good governance and sound macro-economic management and reduce resources available for education and public health. That is why it is important that debt write-offs have to be accompanied by better terms of trade, greater access to markets and investment inflows. Further, debt sustainability should not be only for the purpose of attaining the MDGs.

Mr. President,

As in the case of international trade, financial and monetary organisations, so also in the currently strongest body of the United Nations, it is only the permanent membership of developing countries as a group in solidarity, which can contribute effectively to realising the political and economic agenda of the developing world. This would increase policy space and participation for all and the change in the co-relation of forces would strengthen the General Assembly and the **Economic and Social Council**. Such change can help in re-establishing the pivotal role of the United Nations, where the UN sets the agenda and BWIs and other institutions follow. The September event gives us the opportunity to restore development as the centrepiece of the global agenda with primacy of the United Nations.

Mr. President,

India recognises the need for an effective mechanism to assess the implementation of commitments and agreements reached at the Monterrey Conference. The annual meetings of the **Economic and Social Council** (ECOSOC) with the Bretton Woods institutions, World Trade Organisation and the United Nations Conference on Trade and Development should serve this purpose. The need for greater synergy between the annual meetings ECOSOC with the Bretton Woods Institutions and WTO and the UNCTAD on the one hand, and biennialised high-level meeting of the General Assembly on the other, is also recognised. But coherence between the UN and the Specialised Agencies is, by itself, not enough to accomplish this. For this reason, we are not convinced of the recommendation of UN Secretary General to establish an executive committee of the ECOSOC to facilitate cooperation with multilateral institutions dealing with trade and finance. The UN has to not only play a predominant role in setting the direction, but in delineating and guiding the international macro-economic agenda.

Thank you, Mr. President.

Edited Press Release are provided through HT Syndication, New Delhi.

**LOAD-DATE:** June 30, 2005



Press Release

## **Global Leaders And Experts To Open Annual Meeting**

United Nations

275 words

28 June 2005

19:30

[Scoop.co.nz](http://www.scoop.co.nz)

English

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Global Leaders And Experts To Open Annual Meeting Of UN Development Council

New York, Jun 28 2005

The annual meeting of the United Nations Economic and Social Council (ECOSOC) opens tomorrow as Government leaders and agency chiefs address the raft of issues on the UN's development agenda, from poverty and human rights to issues in trade, markets, telecommunications and infrastructure.

The "High-Level" segment of this year's <http://www.un.org/docs/ecosoc/meetings/2005/hl2005/> ECOSOC meeting, taking place from 29 June to 1 July, will hear from, among many others, UN Secretary-General Kofi Annan, Economics Nobel Laureate Joseph Stiglitz, President Tarja Halonen of Finland and Prime Minister Gerard Latortue of Haiti.

A Ministerial Declaration to be adopted on Friday, the final day of the segment, will address key development issues, such as sources of financing for development, effective macro-economic policies and the integration of African economies into the mainstream.

The meeting and its declaration will also provide an opportunity for participants to discuss issues related to the 2005 World Summit in September.

Among those issues, this year's session will have the Secretary-General's reform proposals on the table, advocating a more active role for ECOSOC including timely meetings in response to natural disasters and a global forum for development cooperation.

ECOSOC consists of representatives of 54 Member States. Its annual policy session usually alternates between Geneva and New York.

Following the High-Level Segment, this year's session continues until 27 July.



Press Release

## **Current Trade and Aid Pledges Must Be Exceeded**

United Nations

563 words

29 June 2005

19:49

[Scoop.co.nz](http://Scoop.co.nz)

English

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Global Community Must Exceed Current Trade and Aid Pledges, Ga President Says

New York, Jun 29 2005 2:00PM

United Nations General Assembly President Jean Ping has called on the international community to honour and even exceed current commitments on debt reduction, trade and aid so as to meet the Millennium Development Goals (MDGs) of eliminating or reducing many socio-economic ills by 2015.

Wrapping up the General Assembly's two-day High-Level Dialogue on **Financing for Development**, Mr. Ping said yesterday that Member States should quickly and completely honour the pledges made at the development summit in Monterrey, Mexico, in 2002.

Summarizing the ministerial speeches and roundtable reports made during the High-Level Dialogue, he said the Monterrey principles required greater cooperation to improve the promotion and financing of development and greater coherence among States in making trade, aid policy and financial decisions.

To that end, participants had highlighted the need for developing countries to take part in international decision-making and the need to reform the United Nations, as well as improve the working methods of the UN Economic and Social Council (ECOSOC).

Noting that significant progress had been made on debt relief, particularly the recent proposal from the Group of Eight richest countries (G-8) to eliminate the debt of several heavily indebted poor countries (HIPC)s, the participants urged that the measure be extended to other nations, including some middle-income countries, he said.

A general feeling of urgency had been expressed, especially with regard to Africa, where the biggest challenges had to be faced, Mr. Ping, who is from Gabon, said.

Improving the private sector, mentioned often, could be linked to poverty-reduction strategies, while successfully completing the World Trade Organization's Doha Round was vital because of the important contribution that international trade made to growth, economic development and the fight against poverty, Mr. Ping said.

In this regard, participants had emphasized the key role that the New Partnership for Africa's Development (NEPAD) and other regional organizations should play in development, he said.

The Dialogue was particularly important in helping to draft the global development agenda in the United Nations, in partnership with the World Bank, International Monetary Fund (IMF) and the international community, he said.

UN Under-Secretary-General for Economic and Social Affairs Jose Antonio Ocampo said while the spirit of Monterrey was very much alive, the international community had not yet come to grips with what it would take to implement fully the global development financing agenda.

He said that in the run-up to the General Assembly's September Summit, it would be crucial to make real headway on the promises made in Monterrey, where world leaders had agreed on a new partnership for development, in order to help achieve the MDGs and the wider United Nations vision of dignity, prosperity and human rights for all.

Among the areas which Mr. Ocampo said needed progress were enhancing the mobilization of domestic resources; approaching trade as an essential ingredient of **financing for development**; achieving increased and more effective overseas development assistance (ODA); encouraging more stable sources of external financing; achieving debt sustainability; raising the level of South-South cooperation; and strengthening the voice and participation of developing countries in decision-making.



Press Release

## **UN Calls On Both Rich+Poor Nations To End Poverty**

United Nations

730 words

27 June 2005

17:17

[Scoop.co.nz](http://Scoop.co.nz)

English

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### Annan Calls On Both Rich And Poor Nations To 'Close The Deal' To End Poverty

After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, United Nations Secretary-General Kofi Annan said today, calling on rich nations to provide the funding and poor nations to affect the necessary reforms to clinch the global deal to "make poverty history."

"There is real hope today because, first and foremost, many developing countries have succeeded in lifting millions of people out of impoverishment and despair. And there is real momentum because the international community has banded together in a sustained, unprecedented effort," Mr. Annan told the General Assembly's High-Level Dialogue on **Financing for Development**.

The Assembly has gathered finance ministers in New York to debate the status of worldwide efforts to implement the Monterrey Consensus, the landmark agreement adopted by world leaders at an international development summit in Mexico in 2002. The two-day meeting, will be built around a series of formal and informal meetings and six interactive round-table discussions on issues that include international trade as an engine for development, and mobilizing domestic financial resources for development.

In Monterrey, developed nations agreed to a new bargain with the world's developing nations: donors would increase aid spending and the world's poor nations would carry out economic and political reforms to ensure that development assistance money gets spent effectively, chiefly towards meeting the UN Millennium Development Goals (MDGs), a set of targets a set of ambitious targets, ranging from halving extreme poverty, to halting the spread of HIV/AIDS and to providing universal primary education, all by 2015.

"The Millennium Development Goals have become a rallying point of unparalleled scope - the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged, Mr. Annan said today, adding that the Monterrey Consensus has "brought rich and poor countries together in partnership."

"The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the Secretary-General, making reference to the 6 to 8 July meeting of the Group of Eight most industrialized nations in Gleneagles, Scotland, and the Assembly's upcoming September summit to review the MDGs and make decisions on UN renewal.

Mr. Annan called the decision taken earlier this month by the G8 finance ministers to write of the staggering debt of some developing countries "very encouraging," and noted the European Union has agreed to a clear timetable for reaching the 0.7 percent target for official



development assistance (ODA) by 2015. "This will offer a chance to finally overcome the resource shortfalls that have kept so many millions of people mired in squalor," he said.

"Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda. Rich and poor alike must do their part. Responsibility flows both ways," he said.

"So let us work together for a successful World Summit. Let us grasp this opportunity to advance the cause of development, as well as the security and human rights agendas that are so closely bound up with it. Let us show that needless, senseless human misery shall have no place in our world," Mr. Annan said.

General Assembly President Jean Ping of Gabon said that today's dialogue was particularly significant because it would allow for passing one more milestone on the road towards the September summit. The Monterrey conference reflected the international community's growing awareness about the complex development issues and the lack of financial resources in poor countries.

Looking ahead to the upcoming 2005 World Summit, Mr. Ping said it was essential to ensure that the monetary system was more consistent and cohesive to enable developing countries to reform and to mobilize national resources. He reiterated the appeal of heads of State at Monterrey calling for an international follow-up conference to report on the implementation of the Monterrey Consensus. Arrangements for such a conference must be decided on in 2005 at the latest.

## **Annan Urges EU To Go Further**

**Wednesday, 29 June 2005, 9:58 am**

**Press Release: United Nations**

28 June 2005

Lauding Recent Development Initiatives, Annan Urges EU To Go Further

United Nations Secretary-General Kofi Annan today called on the European Union (EU) to go further in its efforts to assist developing countries, as he continued to praise its recent initiatives increasing official development assistance, improving quality of aid, boosting assistance to Africa and relieving debt.

"Development is a continuous process," Mr. Annan told a lunch hosted by the EU, in conjunction with the General Assembly's two-day meeting on Financing for Development which has gathered finance ministers in New York to assess efforts to implement the Monterrey Consensus, the 2002 agreement through which donors would increase aid and the world's poor nations would carry out economic and political reforms to ensure that aid money gets spent effectively.

The Consensus, he said, encompasses broader development issues such as growing inequality, globalization, trade-related matters, coherence between financial, trade, aid and debt policies and other systemic questions.

"It also focuses on the long term," he said, "through its emphasis on human capital, which is any country's most abundant resource."

In that context, he asked the EU to complete its debt cancellation initiative, carried out within the G8 group of industrialized countries, and to ensure that goods from developing countries have wider access to European markets and no longer have to compete against subsidized products.

He also noted that the EU is well-placed to increase the participation of developing countries in global economic decision-making, by agreeing to changes at the [World Bank](#) and the International Monetary Fund ([IMF](#)).

By asking for these steps, the Secretary-General stressed he is not losing sight of the responsibility that developing countries bear in their own progress. On the contrary, he said he aimed to improve both sides of the partnership begun at Monterrey.

"That is why we are here," he concluded. "To build the strong partnership for development that is itself the eighth [Millennium Goal](#)."

ENDS

# Annan's appeal to world leaders

PTI[ TUESDAY, JUNE 28, 2005 12:27:12 PM ]



UNITED NATIONS: UN Secretary-General Kofi Annan has made an impassioned plea to developed nations to provide funding and developing nations to affect necessary reforms to clinch the global deal to advance the cause of development, as well as the security and human rights agendas.

After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, he said opening the General Assembly's segment on Dialogue for Financing for Development and asked the world leaders not to let the opportunity slip by.

The ministers are discussing the implementation of landmark Monterrey Consensus, an agreement adopted by world leaders at their summit in Mexico in 2002.

Annan, who is vigorously pursuing his reforms agenda, said the Millennium Development Goals have become a rallying point of unparalleled scope- globally accepted benchmarks by which policies should be fashioned and the progress judged.

The goals aim at substantially reducing or eliminating several economic and social ills worldwide by 2015.

"The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the Secretary-General referring to the three-day meeting of the Group of Eight industrialized countries beginning on July 6 and the Assembly's upcoming September summit to review the MDGs and make decisions on UN renewal.

"There is real hope today because, first and foremost, many developing countries have succeeded in lifting millions of people out of impoverishment and despair. And there is real momentum because the international community has banded together in a sustained, unprecedented effort," Annan said.

The two-day meeting is built around a series of formal and informal meetings and six interactive round-table discussions on issues that include international trade as an engine for development, and mobilizing domestic financial resources for development.

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**<http://timesofindia.indiatimes.com/articleshow/1154288.cms>**



## **Pakistan urges UN to close rich-poor gap**

**By Our Correspondent**

UNITED NATIONS, June 29: Pakistan said on Tuesday that any UN reform would be hollow so long as mass poverty, hunger and disease stalked many nations as the 'world remains pervasively unequal and, in many ways, unjust to the poor and the powerless'.

“The reform and revival of the UN to which so much energy is being devoted can only emerge from the principles of justice and equality enshrined in the UN Charter,” said Pakistan’s ambassador to the United Nations, Munir Akram, while addressing the General Assembly’s High Level Dialogue on Financing for Development.

Mr Akram said: “Our leaders will need to muster the political will to meet the imposing challenges we face: the systematic inequalities against the developing countries; the growing gap between the rich and the poor; rising numbers of the poor; the unfulfilled commitments of development ‘partners’.”

# DECCAN HERALD

Tuesday, June 28, 2005

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## **India for greater voice for developing states in int'l bodies**

230 words

29 June 2005

14:10

[Organisation of Asia-Pacific News Agencies](#)

English

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Dharam Shourie

United Nations, June 29 (PTI) Observing that decision making in international institutions remains heavily weighed in favour of developed states, India has strongly advocated giving greater voice to developing countries.

India's Minister of State for External Affairs E Ahamed, during interaction at a roundtable organised in connection with the UN General Assembly session on "**Financing for Development**", called for structural reform of the world financial institutions aimed at redistributing of voting power in favour of developing nations.

It is extremely important, he said, that this question be addressed at an early opportunity as the structural reforms could have "direct and beneficial impact" on the ability of developing countries to influence the multilateral trading and financial systems which do not "always take their interests into account," he said Tuesday.

Warning the rich nations that global imbalances cannot be resolved through "independent or unilateral" actions, Ahamed asked the major countries to recognise the impact of their macro economic policies on all participants in the international economy and promote co-operation to ensure orderly resolution of the issue.

"It is, therefore, important to give shape to a co-ordinated approach involving major global players and we recognise in this context, the important role that IMF can, and should be encouraged, to play," he said. PTI DS RT AN NNNN

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## **Annan urges EU to go further to assist developing countries**

162 words  
29 June 2005  
14:09

### [Organisation of Asia-Pacific News Agencies](#)

English

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United Nations, June 29 (PTI) The UN Secretary-General Kofi Annan has urged the European Union to go further in its efforts to assist developing countries.

The EU is well-placed to increase the participation of developing countries in global economic decision making, by agreeing to changes at the World Bank and the International Monetary Fund, Annan said Tuesday.

He was speaking at a lunch hosted by the EU on the sidelines of the General Assembly's two-day meeting on **Financing for Development** which has gathered finance ministers in New York to assess efforts to implement the Monterrey Consensus, the 2002 agreement through which donors would increase aid and the world's poor nations.

He asked the EU to complete its debt cancellation initiative and ensure that goods from developing countries have wider access to European markets and no longer have to compete against subsidised products. PTI DS KSM AN NNNN

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## **Fiji's development rating drops to 81**

(Thursday, June 30, 2005)

THE implementation of Fiji's millenium development goals is above average compared to the Pacific and Asian average.

However, its development in terms of the Human Development Index is slower than most nations.

The United Nations resident co-ordinator and UNDP representative, Richard Dictus said Fiji's ranking in the world HDI has consistently been slipping over the years — it was 66 in 2000 and it now stands at 81.

"I speak to you with some measure of concern about economic progress and growth as well as social development and human well-being," Mr Dictus said while speaking on the topic 'Unleashing Entrepreneurship — Building Public and Private Sector Partnerships' at the Economics Association of Fiji-organised meeting at the Reserve Bank of Fiji headquarters on Tuesday.

The HDI is based on literacy rate, gross domestic product (GDP per capita), and health standards to assess longevity, knowledge, and a decent standard of living.

Mr Dictus said UNDP was promoting public-private dialogues, socially responsible entrepreneurship and bottom of the pyramid markets.

Public-private dialogues refer to the simple principle that an enabling environment for business is a shared responsibility between the public and private sector.

This enabling environment is based on new partnerships that develop through dialogue and understanding.

Socially responsible entrepreneurship refers to businesses in friendly investments and engagements with issues such as education, health, HIV/AIDS and occupational safety.

"All companies have long since understood this while some fly-by-night operations consistently spoil the show and seem to create the reverse impression with the public at large," Mr Dictus said.

The bottom of the pyramid markets, he said, saw companies focussing on non-traditional market segments where initial profits may be minimal or non-existent but where growth potential as economies develop and consumers graduate from poverty were considerable.

Mr Dictus said entrepreneurship worked well or was effective if there was an enabling environment provided for by the State.

He said UN secretary-general Kofi Anan's report to the General Assembly on strengthening the role of the private sector and entrepreneurship in financing for development, outlined six conditions and requirements to improve the overall business environment in developing countries.

These were appropriate and enforceable regulations and laws, labour and related standards, availability of finance, infrastructure and information.

Mr Dictus said one of the purpose of laws and regulations as to safeguard the public interest and protect citizens from each other.

At the Forum Economic Ministers meeting in Tuvalu, the World Bank released its report on the cost of doing business in Pacific countries where Fiji is rated lower than most countries.

"We strongly advocate that when countries start tackling the issue, they do so on the basis of a public-private dialogue.

"Fiji is recognised as having pioneered this in the Pacific by having established the structure and agenda for dialogue," Mr Dictus said.



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**This story was found at:** <http://www.fijitimes.com/story.aspx?id=23984>

## **Pleidooi voor solidariteitsheffing op vliegtickets**

377 words

28 June 2005

04:33

[AP Dutch Worldstream](#)

Dutch

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NEW YORK, 28 juni (AP) - Op een ministersconferentie van de Verenigde Naties over de financiering van ontwikkelingshulp hebben Frankrijk, Brazilië, Chili en Duitsland maandag gepleit voor een solidariteitsheffing op vliegtickets. Luchtvaartmaatschappijen profiteren van de mondialisering en lage belastingtarieven, vliegtuigpassagiers „behoren zelden tot de armsten" en een heffing is praktisch en juridisch uitvoerbaar, aldus de Franse minister van economische zaken en financiën Thierry Breton.

De hoogte van de heffing kan voor binnen- en buitenlandse vluchten variëren, of voor economy en business class, en van land tot land afhankelijk van het welvaartspeil verschillen, zei Breton. „Om nodeloze bureaucratie te vermijden" zouden de opbrengsten via bestaande instellingen moeten worden verdeeld. Breton rekende voor dat een heffing van vijf euro per passagier, met een toeslag van twintig euro voor de business class, tien miljard euro per jaar kan opleveren.

De Britse minister van ontwikkelingszaken, **Hilary Benn**, waarschuwde dat het drie jaar geleden door de VN in Monterrey in Mexico gestelde doel om de extreme armoede in de wereld voor 2015 te halveren in het huidige tempo pas in 2150 zal worden gehaald, en het doel om basisonderwijs voor iedereen te realiseren pas in 2130. Het recente besluit van de 25 lidstaten van de Europese Unie om de uitgaven voor ontwikkelingshulp uiterlijk 2015 op te trekken tot 0,7 procent van het nationaal inkomen, moet in de komende vijf jaar leiden tot verdubbeling van de hulp van de EU tot tachtig miljard euro per jaar. Nog eens 25 miljard euro voor Afrika moet komen van de top van de G8 in juli in Gleneagles, zei Benn.

De Amerikaanse ontwikkelingschef Andrew Natsios verdedigde de hoogte van de ontwikkelingshulp die zijn land geeft, 0,17 procent van het bruto binnenlands product. De rijke landen moeten zich volgens hem niet alleen op geld concentreren, maar ook op de andere kant van de afspraken die in 2002 zijn gemaakt: bestrijding van corruptie en bevordering van behoorlijk bestuur, rechtsorde, vrede en democratie in ontwikkelingslanden.

De Jamaicaanse minister Delano Franklin zei namens de 132 ontwikkelingslanden die zijn verenigd in de Groep van 77 dat geld cruciaal is. Hij riep de rijke landen op zich te houden aan de 0,7 procent waar de Verenigde Naties al sinds de jaren '60 om vragen.

## **Analizan cumplimiento de compromisos financieros para desarrollo**

690 words

27 June 2005

05:01

[Agencia EFE - Servicio General](#)

Spanish

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Naciones Unidas, 27 jun (EFE).- Ministros de Finanzas, Asuntos Exteriores y Cooperación de los países miembros de la ONU analizan hoy si se ha cumplido la promesa de dar más recursos para el desarrollo y si se han encontrado nuevos medios de financiación.

El debate, que concluirá el martes y que cuenta también con representantes de las principales instituciones financieras multinacionales y las organizaciones de comercio, tiene lugar tres años después de la cumbre de Monterrey (México).

En esa reunión se adoptó el "Consenso de Monterrey", un documento que reconocía la necesidad de un aumento sustancial de la ayuda y de buscar otros recursos para lograr los objetivos de la Declaración del Milenio, entre ellos reducir la extrema pobreza a la mitad para el año 2015.

El documento pedía a los países pobres mayor transparencia y luchar contra la corrupción, entre otras medidas, a cambio de más dinero.

Además, sugería buscar mecanismos de renegociación de la deuda y aumentar la Asistencia Oficial para el Desarrollo (AOD) al 0,7 por ciento del Producto Interior Bruto (PIB) prometido e incumplido por la mayoría de los países durante años.

Las sesiones comenzarán con un discurso del secretario general de la ONU, Kofi Annan, al que seguirán las declaraciones de ministros y otros representantes de alto nivel en el plenario de la Asamblea.

El martes continuará en mesas redondas cerradas al público, en las que los participantes analizarán la captación de recursos financieros nacionales e internacionales para el desarrollo; las inversiones directas y otros flujos de capital; el comercio internacional como motor del desarrollo; el incremento de la cooperación técnica y financiera internacional, y la deuda exterior.

Entre los participantes, estarán la secretaria de Estado de España para Cooperación Internacional, Leire Pajín; el secretario de Relaciones Exteriores de México, **Luis Ernesto Derbez**, y el ministro de Economía de Ecuador, Rafael Correa.

Otros países representados a nivel de ministro son Francia, el Reino Unido, Alemania, Dinamarca y Noruega.

En un informe presentado recientemente a la Asamblea General, Annan hizo una serie de recomendaciones en relación con la financiación, entre ellas concluir las negociaciones sobre liberalización comercial iniciadas en Doha en 2001.

Igualmente, pidió la eliminación de los subsidios que distorsionan las exportaciones y el comercio internacional agrícola, reducir las barreras aduaneras para los productos de países en desarrollo y dar apoyo a los países que dependen de productos básicos para que diversifiquen sus exportaciones.

Annan ha pedido a los países ricos que establezcan un calendario para alcanzar a más tardar en 2015 el objetivo del 0,7 por ciento del PIB destinado a ayuda al desarrollo, que actualmente sólo cumplen o superan Dinamarca, Luxemburgo, Holanda, Noruega y Suecia.

La Unión Europea ha alcanzado un acuerdo para llegar al 0,51 por ciento en 2010, mientras que Estados Unidos ha incrementado la asistencia, pero sigue muy por detrás de ese porcentaje y no ha adoptado una agenda oficial para aplicar un incremento.

El secretario general de la ONU ha pedido además la creación este año de un "Servicio de Financiación Internacional", un instrumento financiero propuesto por el Reino Unido en 2003 que permitiría adelantar una inversión prevista en años próximos mediante la emisión de deuda.

En una reunión del G-8 (grupo de siete países más ricos y Rusia) a principios de junio, los ministros de Finanzas acordaron condonar la deuda de las 18 naciones más pobres en varias etapas.

Catorce de esas naciones son africanas (Benin, Burkina Faso, Etiopía, Ghana, Madagascar, Mali, Mauritania, Mozambique, Níger, Ruanda, Senegal, Tanzania, Uganda y Zambia) y el resto latinoamericanas (Bolivia, Guayana, Honduras y Nicaragua).

Sin embargo, hay todavía un importante grupo de países de renta media y baja con una elevada deuda.

La sesión de hoy tiene lugar en medio de un debate sobre la reforma de la ONU que debe concluir en septiembre, cuando está prevista una cumbre en la que también se analizarán los avances de los objetivos del Milenio, entre ellos el de reducir a la mitad la extrema pobreza y mejorar la calidad de vida de los ciudadanos de los países pobres. EFE

ag/tb/tg/ah

Document EFESG00020050627e16r000jh

## **UE pide que la asistencia oficial al desarrollo sea de calidad**

602 words

28 June 2005

17:16

### [Agencia EFE - Servicio General](#)

Spanish

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Naciones Unidas, 28 jun (EFECOM).- Representantes de la Unión Europea (UE) manifestaron hoy que es de suma importancia que la ayuda oficial al desarrollo que conceden los países industrializados sea de "calidad y efectiva".

Los representantes de la UE explicaron su posición común en un rueda de prensa con motivo de la reunión de alto nivel sobre financiación al desarrollo que se celebra en la sede de la ONU en Nueva York.

El ministro de Cooperación y Desarrollo de Luxemburgo, Jean-Louis Schiltz, cuyo país ha estado a cargo de la presidencia de la UE en los últimos seis meses, recordó la decisión tomada el pasado 21 de mayo por los 25 países europeos sobre la Ayuda Oficial al Desarrollo (ODA).

El Consejo de ministros de Europa aprobó un aumento de la ODA hasta un 0,56 por ciento del PIB en el 2010 y hasta un 0,7 por ciento en el 2015, que es la meta fijada en la Cumbre de Financiación celebrada en Monterrey en 2002.

Sin embargo, destacó que esta asistencia financiera a los países en desarrollo, que será de 46.000 millones de euros (55.200 millones de dólares) anuales cada año, debe cumplir con requisitos de calidad, eficacia y responsabilidad por parte de los países receptores.

Destacó que la decisión de la UE de establecer un calendario para cumplir con un aporte del 0,7 por ciento del PIB es un "hito histórico", que espera que sea seguido por otros países.

"El 0,7 por ciento no es una meta en si mismo, sino un primer paso, puesto que lo que debemos lograr es erradicar la pobreza. La UE está preparada para asumir sus responsabilidades de cara a la revisión de los Objetivos del Milenio en la Cumbre de Septiembre de la ONU", apuntó.

El comisario para el Desarrollo y Asuntos Humanitarios de la UE, **Louis Michel**, insistió en la necesidad de que la asistencia financiera a los países en desarrollo sobre todo de "calidad".

Esto quiere decir, según explicó, que las políticas y proyectos que se lleven a cabo sean coherentes y que tengan en cuenta las circunstancias de los países a los que van dirigidas.

Asimismo, exigió de los países receptores que apliquen una buena gobernabilidad y asuman sus responsabilidades con los recursos que se les será adjudicados.

Por su parte, el Comisario de la UE para el Comercio Exterior, el británico Peter Mandelson, recordó que la Unión aporta un 55 por ciento de toda la asistencia al desarrollo en el mundo.

"Tenemos más recursos que antes y es muy importante que haya coherencia en las atribuciones", declaró.

Subrayó que el comercio es uno de los ángulos del triángulo que conforma la condonación de la deuda y los sistemas de ayuda al desarrollo para que los países pobres impulsen su crecimiento económico.

Reconoció que el sistema comercial mundial debe adaptarse a las nuevas realidades, por lo que es necesario que los países en desarrollo, junto con la comunidad donante, trabajen con las instituciones financieras hacia el objetivo de erradicar la pobreza.

Para Mandelson, este año será decisivo para la consecución de los Objetivos del Milenio, cuyos avances y retos serán discutidos en la próxima reunión del G-8 (siete países más industrializados y Rusia) del próximo 2 de julio en Edimburgo (Escocia).

También serán el centro de debate de la Cumbre de Líderes Mundiales que se celebrará en Nueva York en septiembre, así como en la reunión ministerial de la Organización Mundial del Comercio en Hong Kong de diciembre. EFECOM

mva/ar/ap

Document EFESG00020050628e16s001pb

## **Llamamientos a un comercio más justo para financiar desarrollo**

659 words

27 June 2005

13:33

### [Agencia EFE - Servicio General](#)

Spanish

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Naciones Unidas, 27 jun (EFE).- Llamamientos a establecer un sistema comercial más justo para impulsar el desarrollo de los países pobres marcaron el comienzo del debate sobre financiación para el desarrollo que se celebra hoy en la ONU.

Entre los que apelaron por un comercio más equitativo figuraba el secretario general, Kofi Annan, quien, como otros oradores, insistió en la necesidad de concluir cuanto antes las negociaciones sobre liberación comercial iniciadas en Doha (Qatar) en 2001.

Al abrir el debate, en el que participan numerosos ministros y viceministros, Annan comentó que "si los países en desarrollo pudieran competir en condiciones justas, y no tener que lidiar con subsidios injustos y tarifas demasiado altas, cosecharían dividendos mucho mayores que los que la ayuda y otras medidas pueden generar".

En igual sentido se expresó el presidente de la Asamblea General, Jean Ping, quien alentó a la comunidad internacional a movilizarse para concluir un acuerdo general "que contribuya realmente a crear un sistema comercial multilateral más abierto, más equitativo, más reglamentado, no discriminatorio y más favorable para el desarrollo".

El ministro de Asuntos Exteriores de Jamaica, Delano Franklyn, quien se dirigió a los participantes en nombre del llamado "grupo de los 77", recordó que en la Cumbre de Monterrey, celebrada en 2001, se identificó el comercio como un motor para el desarrollo y, en muchos casos, como la fuente externa más importante de financiación.

Sin embargo, desde entonces "no ha habido progreso en los temas de fondo de interés para los países en desarrollo", dijo.

Franklyn insistió en la necesidad de que la Organización Mundial de Comercio sea un sistema de comercio justo, equitativo y basado en reglas que incluya a todos y dé prioridad a los temas de desarrollo.

Algunos oradores presentaron propuestas de financiación que han surgido después de la cumbre de Monterrey (México).

Entre ellos estaba el secretario de Estado para Desarrollo Internacional de Reino Unido, Hilary Benn, quien sugirió la creación de un "Servicio de Financiación Internacional", un instrumento financiero que permitiría adelantar una inversión prevista en años próximos mediante la emisión de deuda y que apoya el secretario general.

El ministro francés de Economía, **Thierry Breton**, mencionó la idea franco-alemana de una tasa sobre los billetes de avión para financiar la lucha contra pandemias como el sida.

El ministro de Asuntos Exteriores de México, Luis Ernesto Derbez, recordó la relación entre este debate y la Cumbre Mundial 2005 que celebrará en septiembre próximo la ONU, en la que se espera adoptar una profunda reforma de la organización e impulsar los objetivos de desarrollo fijados para 2015.



Deberz subrayó que hace falta una ONU fuerte para avanzar en esos objetivos y que si se deja pasar la "oportunidad histórica" de fortalecer la organización sería "no sólo irresponsable, sino francamente peligroso".

En su opinión, supondría "renunciar a nuestra capacidad de respuesta frente a los dilemas de seguridad y desarrollo que enfrentamos".

Numerosos oradores comentaron como positivos los recientes anuncios sobre condonación de la deuda de los 18 países más pobres altamente endeudados y el de un incremento de la asistencia oficial para el desarrollo de la Unión Europea al 0,56 por ciento del Producto Interior Bruto en 2010 y al 0,7 por ciento para 2015.

Con esta medida, la ayuda de la UE se duplicará de los 40.000 millones de dólares a los 80.000 millones en 2010, la mitad de los cuales irán a Africa, según Benn.

Algunos participantes recordaron que también los países pobres son responsables de impulsar el desarrollo, con la movilización de recursos nacionales y otras medidas, como la lucha contra la corrupción.

El debate, que concluye el martes y coincide con la celebración del sexagésimo aniversario de la Carta de Naciones Unidas, tiene como objetivo analizar si se están cumpliendo los compromisos adoptados en Monterrey (México) hace tres años para movilizar mayores recursos en favor del desarrollo. EFE

ag/emr/sc

**(EU) UE/ONU/SVILUPPO: Jean-Louis Schiltz e i commissari Louis Michel e Peter Mandelson presentano, alla sede dell'ONU, gli obiettivi dell'UE per il vertice di New York in settembre**

457 words

30 June 2005

[Agence Europe](#)

Italian

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Bruxelles, 29/06/2005 (Agence Europe) - I lavori si accelerano all'ONU per la preparazione del vertice di New York che, nel settembre prossimo, esaminerà i progressi compiuti in direzione della realizzazione degli obiettivi di sviluppo del Millennio (ODM). Nell'ambito del dialogo ad alto livello sul finanziamento dello sviluppo, la Presidenza lussemburghese e la Commissione europea hanno presentato, mercoledì, in occasione di una conferenza stampa, alla sede delle Nazioni Unite, i mezzi di cui l'UE si è dotata per favorire l'accelerazione dei progressi necessari, nella speranza di svolgere un ruolo di impulso per altri, in occasione di un vertice decisivo nello scadenario multilaterale.

A nome del Consiglio che presiede ancora per qualche giorno, Jean-Louis Schiltz, ministro lussemburghese della cooperazione allo sviluppo e dell'azione umanitaria, ha parlato della "decisione senza precedenti" degli Stati membri dell'UE di impegnarsi collettivamente a portare il loro livello di aiuto pubblico per lo sviluppo (APS) allo 0,56% del PIL comunitario entro il 2010 e a raggiungere lo 0,7% nel 2015. "È la prima volta che un insieme di paesi si prefigge uno scadenario chiaro e preciso per raggiungere quest'obiettivo", ha dichiarato Schiltz, affermando che non si tratta di promesse, bensì di impegni. Secondo lui, è inaccettabile che, nel 2005 ci sia gente che muore ancora di fame, specialmente in Africa. "Oggi ho quarant'anni. Spero che la povertà sarà definitivamente debellata in tutto il mondo prima di andare in pensione", ha aggiunto Schiltz (la dichiarazione del Millennio, adottata nel 2000, prevede la riduzione della metà della povertà nel mondo per il 2015).

**Louis Michel**, commissario europeo allo sviluppo e all'aiuto umanitario, ritiene che la comunità internazionale potrebbe fare molto di più per finanziare l'aiuto pubblico per lo sviluppo e che i progressi ottenuti dopo il consenso di Monterrey rimangano insufficienti. "Questa situazione non è accettabile. Non è accettabile sul piano politico. Di fronte ai problemi di una povertà persistente, di fronte ad una mondializzazione che lascia disperse fasce intere della popolazione e numerosi paesi, è necessario un cambiamento radicale. Innanzitutto, per motivi di solidarietà umana, ma anche per motivi di sicurezza e di stabilità mondiali", ha dichiarato **Louis Michel**, raccomandando che "tutti i donatori si associno all'ambizione dell'UE".

Per quanto lo riguarda, il commissario al commercio, Peter Mandelson, ha insistito sulla correlazione tra sviluppo e commercio, in un rapporto a cui bisogna aggiungere lo sgravio del debito. "Se l'aiuto è il carburante della crescita economica e dello sviluppo, il commercio ne è il motore", ha detto Mandelson.

Document AEI0000020050630e16u0000d



## DÉVELOPPEMENT: LOUIS MICHEL APPELLE LES DONATEURS À SUIVRE L'EXEMPLE DE L'UE

413 words

2 July 2005

[Europe Information](#)

2975

French

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Les bailleurs internationaux doivent augmenter leur aide publique au développement (APD) en suivant l'exemple de l'UE, a indiqué **Louis Michel**, le commissaire européen chargé du Développement, lors du Dialogue de haut niveau des Nations unies sur le financement du développement, le 28 juin, à New York. "Toute la communauté des bailleurs doit tenir ses promesses", a-t-il déclaré, estimant que "l'Union européenne avait pris l'initiative et ses responsabilités" en décidant, le 24 mai, de porter son APD à 0,56% de son RNB en 2010 en vue d'atteindre les 0,7% en 2015, objectif fixé par la Conférence internationale de Monterrey de 2002. Cette barre des 0,7% doit permettre la réalisation des Objectifs du Millénaire pour le développement (OMD) en 2015. Mais les efforts consentis par l'UE ne suffiront pas, a mis en garde le commissaire, s'ils ne sont pas suivis par des mesures des autres bailleurs de fonds.

Il les a appelés à "être aussi positifs, déterminés et ambitieux" que l'UE, en vue du Sommet des Nations unies de septembre à New York, qui passera en revue les progrès dans la réalisation des OMD.

Le message s'adressait d'abord aux États-Unis dont l'APD plafonne à 0,16% du RNB en 2004. Les États-Unis ont soutenu l'annulation de la dette des pays les plus pauvres, décidée par les ministres des Finances du G8 le 12 juin, mais n'ont jusqu'ici pas pris d'engagement sur le plan de l'APD. L'UE attend maintenant des engagements financiers concrets sur ce plan, explique une source de la Commission européenne. Avec en ligne de mire la réunion des chefs d'États du G8 prévue le 8 juillet à Gleaneagles, où l'aide à l'Afrique sera le sujet prioritaire. Concernant des sources alternatives de financement pour le développement, **Louis Michel** a évoqué l'initiative européenne pour un prélèvement volontaire de solidarité sur les billets d'avion. Il a expliqué que l'UE espérait "rallier à cette mesure le plus grand nombre". Il a également souligné la nécessité d'améliorer la qualité et l'efficacité de l'aide au développement. L'appropriation du développement par les pays concernés est une autre condition indispensable selon le commissaire: "sans cette appropriation complète, le développement n'a aucune chance de réussir", a-t-il estimé.

Document EURPTQ0020050706e1720001g

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**UN assembly holds ministerial meeting on financing for development**

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29/6/2005 11:15

The UN General Assembly concluded yesterday a two-day ministerial meeting to assess progress in implementing a landmark agreement reached in 2002 in Monterrey, Mexico, on financing for development.

The meeting brought together ministers, vice ministers and ambassadors from nearly 80 UN members states.

Representatives from a number of international organizations, including the World Bank, also attended the gathering.

The event took place as the General Assembly is holding debate on the outcome document for the 2005 world summit in September, and in the immediate run-up to the Group of 8 (G-8) meeting, where development finances head the agenda.

The overall focus of the dialogue was on the status of worldwide efforts to implement the Monterrey Consensus and the way forward. The Monterrey Consensus is the landmark agreement adopted by world leaders in Mexico at the 2002 International Conference on Financing for Development.

It calls for the resources to meet the Millennium Development Goals and the conditions that will enable freer trade, more foreign investment, debt relief and efficient government.

The Millennium Goals, endorsed by heads of state at the UN Millennium Summit in 2000, are a set of qualified targets ranging from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by 2015.

UN Secretary-General Kofi Annan, in his opening statement, noted that many years of hard work had brought the international community to the threshold of a breakthrough in its pursuit of development and human dignity.

He called on developed countries to take the lead in creating a development-friendly trading system, increase their official development assistance and reduce foreign debt of the developing countries.

**Xinhua**

<http://english.eastday.com/eastday/englishedition/world/userobjectIai1216365.html>

## Russia will cancel \$2.2 bln debt to African states

swissinfo, June 29, 2005 2:50 PM

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### **Russia will cancel \$2.2 bln debt to African states**

By Evelyn Leopold

UNITED NATIONS (Reuters) - Russia promised the U.N. General Assembly it would make good on its pledge to forgive \$2.2 billion in debt for African nations as part of an agreement by major industrial nations to cancel more than \$40 billion in debts to the world's poorest countries.

Moscow's U.N. ambassador, Andrei Denisov told a session of finance, foreign and development ministers on Tuesday that Russia "underlines our general support" to the Group of Eight industrial nations, whose finance ministers decided in London to cancel the debt of 18 countries.

"Thus, this year Russia intends to announce the cancellation of \$2.2 billion for the poorest African states on a bilateral basis," he said. "In absolute terms, Russia is among the leaders in the cancellation of debt to the poorest countries."

Denisov spoke during a two-day ministerial General Assembly session, which ended on Tuesday, on financing for development. It touched on aid, trade and debt relief before a U.N. world summit in September. One aim of the summit is to reduce poverty and disease among the poorest countries.

Russia's Finance Minister Alexei Kudrin has said Moscow would include \$2.2 billion in debt forgiveness. He has estimated Russia's write-offs at \$5 billion until 2015.

Under the G8 agreement earlier this month, the 18 mostly African nations would receive immediate relief on debt they owe to the World Bank, the International Monetary Fund and other multilateral lenders. Nine other African nations are likely to qualify soon.

### 'CLAPTRAP OF UNDERDEVELOPMENT'

While many positions had been voiced previously, the General Assembly session gave developing countries a chance to criticize the inequities before the forthcoming G8 session in Gleneagles, Scotland and the U.N. summit.

Several nations including Turkey, Paraguay and Bangladesh said that without liberalized trade, other

incentives could come to naught.

"Fifty least developed countries (LDCs) are seemingly caught in a claptrap of underdevelopment, poverty and structural weaknesses," said Bangladeshi Ambassador Iftekhar Chowdhury.

"We urge the international community to provide immediate bound duty free and quota free market access for all exports of all LDCs. Their exports should not be subjected to unrealistic rules of origin conditions," he said.

French Finance Minister Thierry Breton told the session that airline passengers were "rarely among the poorest" people and could pay anywhere from \$6 a passenger to \$24 in a special tax, which could generate about \$12 billion a year.

He said that in addition to Germany, Brazil and Chile backed the plan and were "calling for the rapid implementation of a pilot solidarity levy."

The United States is against the tax but told the G8 it would not block others from implementing it.

Luxembourg's Development Minister Jean-Louis Schiltz, whose country is just ending the rotating European Union presidency, told a news conference on Tuesday that two ideas were promising to meet U.N. Millennium development goals.

One was the tax on air tickets. The other was Britain's proposal for an International Finance Facility that could raise \$50 billion a year by selling bonds on capital markets.

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<http://www.swissinfo.org/sen/swissinfo.html?siteSect=105&sid=5909109>

MakePovertyHistory

**PLEDGE: Russia to cancel debts.**

141 words  
30 June 2005

[Irish Times](#)

11  
English  
(c) 2005, The Irish Times.

**RUSSIA:** Russia has promised the United Nations General Assembly it will make good on its pledge to forgive \$2.2 billion in debt for African nations as part of an agreement by major industrial nations to cancel more than \$40 billion in debts to the world's poorest countries.

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"Thus, this year Russia intends to announce the cancellation of \$2.2 billion for the poorest African states on a bilateral basis," he said.

Mr Denisov spoke during a two-day ministerial General Assembly session, which ended on Tuesday, on **financing for development**.

## **URGE ANNAN A APROVECHAR G-8 Y CUMBRE MILENIO PARA ERRADICAR POBREZA**

454 words

27 June 2005

[Agencia Mexicana de Noticias, NOTIMEX](#)

Spanish

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Naciones Unidas, 27 Jun (Notimex).- El secretario general de la ONU, Kofi Annan, urgió hoy a la comunidad internacional a aprovechar la coyuntura actual y alcanzar un acuerdo para erradicar la pobreza, que es el objetivo principal de las llamadas "Metas del Milenio".

"Nunca quizá, unas cuantas semanas han importado tanto para los pobres del mundo, como las que tenemos enfrente", dijo Annan ante el pleno de la Asamblea General de Naciones Unidas (ONU), al inaugurar una sesión sobre mecanismos de financiamiento al desarrollo.

Precisó que la cumbre del Grupo de los Ocho (G-8), a efectuarse en Escocia en julio próximo, y la Cumbre del Milenio en la ONU, de septiembre venidero, son el escenario ideal para lograr un acuerdo que sienta las bases de la erradicación de la pobreza global.

"Ustedes pueden ayudar a que la pobreza sea cosa de la historia", agregó Annan, ante una audiencia de alto nivel integrada por tres decenas de ministros de Exteriores o de Desarrollo, entre ellos los de Reino Unido, Dinamarca, Francia, México e Irlanda.

A los países receptores de ayuda, dijo Annan, toca que respeten las leyes, que combatan la corrupción y que modernicen sus instituciones.

La cita de dos días en la sede de la ONU (Nueva York) tiene como objetivo total discutir el avance del llamado Consenso de Monterrey (alcanzado en esa nortea ciudad mexicana en 2002), sobre mecanismos para financiar el desarrollo del tercer mundo.

Annan espera que los países del G-8 se comprometan en julio entrante a destinar mayores recursos a ello y a condonar la deuda de naciones más pobres, en especial en Africa, como propone el gobierno del Reino Unido.

"Eso sería un gran avance y daría el ímpetu necesario para que otras naciones sigan el mismo curso", dijo el secretario general del organismo multinacional a reporteros la semana pasada.

Para la cumbre de septiembre próximo, cuando la ONU celebrará su 60 aniversario, se espera líderes de todo el mundo adopten una serie de reformas estructurales en el organismo, que entre otros temas buscan terminar con la pobreza y el avance del SIDA.

A pesar de nuevos compromisos, destacó Annan ante la Asamblea General de la ONU, "el acuerdo general", todavía esta ausente y la cuestión ahora es si "la pregunta ahora es sí podemos cerrar el trato".

En la sesión de este lunes participaron, entre otros los ministros de Exteriores de Jamaica, a nombre del Grupo de los 77, Delano Franklyn, y el secretario mexicano de Relaciones Exteriores, **Luis Ernesto Derbez**.

El canciller mexicano centró gran parte de su discurso sobre la reforma integral de la Organización de Naciones Unidas (ONU).



NTX/RA/RDL/

Document NOTMXS0020050627e16r001hj

## **PIDE DERBEZ UNA ONU MAS FUERTE PARA HACERLA MAS EFECTIVA**

371 words

27 June 2005

[Agencia Mexicana de Noticias, NOTIMEX](#)

Spanish

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Naciones Unidas, 27 Jun (Notimex).- El canciller mexicano **Luis Ernesto Derbez** subrayó el compromiso de su país con una "ONU fuerte" para hacerla más efectiva, enfrentar los nuevos retos del siglo XXI y evitar que sea un organismo irrelevante.

Durante su participación en el Diálogo de Alto Nivel sobre Financiamiento al Desarrollo que se celebra en la sede de la Organización de Naciones Unidas, Derbez insistió en la necesidad de reformar la ONU, proceso que será revisado en septiembre próximo.

"No debemos dejar pasar la oportunidad histórica de fortalecer y revigorizar a la Organización de las Naciones Unidas. Hacerlo no solo sería irresponsable, sino francamente peligroso", por lo que si no se actúa se le condenará a la irrelevancia, señaló Derbez,

"Renunciar a la posibilidad de contar con una ONU efectiva sería también renunciar a fortalecer nuestra capacidad de respuesta frente a los dilemas de seguridad y desarrollo que enfrentamos actualmente", añadió el canciller.

Derbez recordó que el gobierno mexicano ha trabajado para impulsar la reforma dentro del Grupo de Amigos para la Reforma y del movimiento Unidos por el Consenso.

La postura es evitar que se privilegie la reforma del Consejo de Seguridad por encima de otras que se refieren a otros órganos de Naciones Unidas, como la Asamblea General, el Consejo Económico y Social (ECOSOC) o la comisión de Derechos Humanos, indicó.

También indicó que el proceso debe hacerse bajo consenso de los 191 países miembros y no por la imposición de ninguno de ellos.

"Por el bien de la ONU, no debemos permitir la imposición de soluciones parciales que solo nos dejarían una institución fragmentada e incapaz de atender las demandas para las cuales fue creada en un principio", señaló.

Respecto al tema de la conferencia que inicio este lunes, y que busca revisar los mecanismos para hacer mas efectivas las formulas del financiamiento al desarrollo de los países más pobres, Derbez apostó por una sistema comercial mundial "más justo".

También pidió "asegurar una mayor coherencia entre las estrategias de desarrollo nacional y el proceso económico global. Esta vinculación se hace indispensable cuando reconocemos que la apertura comercial y la liberalización de los mercados financieros".

NTX/OSV/SLN/

Document NOTMXS0020050627e16r001et

## **ONU: Ministro ecuatoriano propone tribunal internacional deuda**

Por LUIS ALONSO LUGO

423 words

27 June 2005

18:31

[AP Spanish Worldstream](#)

Spanish

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NACIONES UNIDAS (AP) -- El ministro ecuatoriano de Economía llamó el lunes a la creación de una "nueva arquitectura financiera... donde se vuelve impostergable la creación de un tribunal internacional de deuda".

En su discurso durante el Segundo Diálogo de Alto Nivel sobre Financiamiento para el Desarrollo que tiene lugar en la sede de Naciones Unidas, **Rafael Correa** explicó que el tribunal "tendrá que resolver la capacidad y el modo de pago de los países altamente endeudados".

Correa atribuyó a "decisiones gubernamentales exigidas por gobiernos extranjeros" el que su país haya orientado fondos a "inversiones financieras en el extranjero".

"No es posible que un país que requiere financiamiento externo no pueda utilizar racional y prudentemente su propio ahorro en la recuperación de su aparato productivo y en la reducción de la pobreza", dijo.

Correa, integrante del gabinete que por decisión del Congreso de su país entró en funciones en abril, se refería a que el anterior gobierno del presidente Lucio Gutiérrez destinaba sistemáticamente al pago de la deuda externa el 70% del Fondo de Estabilización, Inversión y Recompra del Endeudamiento Público (FEIREP).

Tras el cambio de gobierno, el FEIREP destinará ahora solo el 35% para la recompra de la deuda, "para la eliminación de recompra (de deuda), eliminando la obligación, y siempre que las condiciones favorezcan al país", dijo el ministro a periodistas tras ofrecer al mediodía una charla organizada por la Ecuadorean American Association.

"Buscamos resolver problemas como un 12% de desempleo, un sector agrícola que no crece y una balanza comercial no petrolera deficitaria por 2.300 millones de dólares. Si eso no calma a los mercados financieros, ¿Qué puedo hacer", señaló refiriéndose a la rebaja de calificación de deuda ecuatoriana que recientemente emitiera la empresa Standard & Poors.

Correa negó enfáticamente que alguna vez se pronunciara a favor de un cese de pago de la deuda y atribuyó la versión a "mala fe y mucha desinformación".

"Vamos a cumplir obligaciones internas y externas. (En Ecuador) Hay un gobierno serio. El populismo y la corrupción se acabaron el 20 de abril", dijo en referencia a la fecha en que fue destituido Gutiérrez.

Durante su intervención, Correa subrayó también que los países desarrollados "están cada vez más alejados de cumplir con la meta de duplicar el 0,7% de su PIB" para asistir a otras naciones. Hizo hincapié en la necesidad de organismos de financiamiento regionales, que "eliminen la dependencia de nuestros países de financiamientos extrarregionales tremendamente condicionados e incluso perniciosos".

Document APSPW00020050627e16r000px

## **Derbez: Usar financiamiento para cumplir objetivos del Milenio**

390 words

27 June 2005

15:12

[AP Spanish Worldstream](#)

Spanish

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NACIONES UNIDAS (AP) - El ministro de relaciones exteriores de México, **Luis Ernesto Derbez**, exhortó el lunes a la comunidad internacional a usar mejor los mecanismos de financiamiento para cumplir los objetivos del Milenio de reducir la pobreza.

En la Cumbre del Milenio en el 2000 se fijaron objetivos para reducir la pobreza y las enfermedades que afectan a miles de millones de seres humanos a más tardar en el 2015.

Derbez destacó la necesidad de lograr esos objetivos, en su participación en el diálogo de alto nivel de la Asamblea General sobre la Financiación para el Desarrollo.

El canciller mexicano señaló que "esta vinculación se hace indispensable cuando reconocemos que la apertura comercial y la liberalización de los mercados financieros, así como los ajustes que los países en desarrollo han hecho en sus economías nacionales no han sido suficientes, por sí mismos, para alcanzar los Objetivos del Milenio".

Derbez destacó que "la vinculación entre los Objetivos del Milenio y los mecanismos de financiamiento internacionales permitirá asegurar una mayor coherencia entre las estrategias de desarrollo nacional y el proceso económico global".

"Es preciso --señaló-- que vinculemos los Objetivos del Milenio, con los mecanismos de Financiamiento al Desarrollo que se desprenden de la Cumbre de Monterrey. Únicamente de esta forma podremos asegurar a nuestros pueblos los beneficios de la globalización".

Las cuestiones relativas al desarrollo serán tratadas en varios foros internacionales en los próximos meses: en la cumbre del Grupo de los Ocho a realizarse en julio, y posteriormente en la cumbre de la ONU en septiembre, que debe examinar los llamados Objetivos del Milenio para el Desarrollo.

México otorga la más alta prioridad al cumplimiento de sus obligaciones internacionales, señaló Derbez. Dijo que su país se ha pronunciado enérgicamente por el cumplimiento de varias demandas históricas de los países en desarrollo.

"En particular, sobre la participación en la toma de decisiones de las instituciones financieras internacionales y la consolidación de un sistema comercial más justo y propicio para el desarrollo".

Asimismo el canciller mexicano indicó que "hoy la comunidad de naciones tiene ante sí un reto formidable: realizar las reformas necesarias para que la Organización de las Naciones Unidas pueda hacer frente efectivamente a los desafíos que nos impone el siglo XXI". Añadió que México ha trabajado para impulsar una reforma integral.



## **Development Requires Aid Plus Good Governance, USAID Chief Says**

by Judy Aita  
742 words  
28 June 2005  
16:05

### [All Africa](#)

English  
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United Nations, Jun 27, 2005 (United States Department of State/All Africa Global Media via COMTEX) --

#### Andrew Natsios addresses U.N. session on **financing for development**

Supporting growth and eradicating poverty in developing countries is not only about monetary contributions, but also requires a combination of resource mobilization, trade and investment, and good governance, the top U.S. foreign aid official said June 27.

The United States does not believe that there are any magic aid numbers for achieving successful development and sustained improvements in the quality of life, Andrew Natsios, administrator of the U.S. Agency for International Development (USAID), told a special meeting of the U.N. General Assembly. "Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people."

Natsios spoke at a ministerial-level meeting on **financing for development**. The two-day session was a follow-up to the historic 2002 development summit in Monterrey, Mexico, that brokered a partnership against poverty. It aimed to give governments an opportunity to consolidate or add to their development packages in support of the U.N. Millennium Development Goals and is a precursor to the Group of Eight (or G8, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia) meeting July 6-8 and to the United Nations' 60th Anniversary Summit in September.

The United States recognizes that the volume of aid and other development resources must increase significantly, Natsios said. "But if we are to continue the recent increases in ODA [Official Development Assistance] and assure that the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability, and results."

He said a report of the U.N. Commission on the Private Sector and Development "estimates that developing countries have \$9.4 trillion dollars in private assets that cannot be fully mobilized, largely because of corruption and inadequate legal protections for property and contracts."

In one developing country, he said, it takes 203 days to register a business, while in another, enforcing a contract takes 1,459 days. Such barriers to entrepreneurship keep businesses small and informal.

"There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place," Natsios said.

Natsios said that the United States has increased official development assistance beyond the pledge President Bush made in Monterrey. U.S. aid has risen from \$10 billion in 2000 to more than \$19 billion in 2004, with a quarter of the total supplied by members of the Organization for Economic Cooperation and Development (OECD). The United States also provides approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Joining with socially responsible private-sector companies, USAID has invested \$1 billion in 290 public-private alliances in 98 countries since 2002, thus leveraging more than \$3 billion in partner resources, he said. Countries that govern justly, invest in their people and support market led growth will receive billions of dollars from the U.S. Millennium Challenge Corporation (MCC) in coming years, he said.

The MCC administers the Millennium Challenge Account, a supplementary aid program launched by President Bush to reward poor nations that invest in the education and health care of their citizens, fight corruption and promote good governance.

The USAID administrator also praised the New Partnership for African Development, saying the United States is an "enthusiastic supporter." The partnership - a strategic framework for "Africa's renewal" - led by the African Union aims to address challenges facing the African continent and work to eradicate poverty, advance sustainable growth, enhance Africa's integration in the global economy and accelerate the empowerment of women.

In the plan, he said, "African leaders are linking poverty eradication, sustainable growth, global economic integration, and good governance."

Secretary-General Kofi Annan told the assembly that recent announcements on debt relief and increases in ODA along with years of hard work "have brought us to the threshold of a breakthrough in our pursuit of development and human dignity."

There is hope today because "many developing countries have succeeded in lifting millions of people out of impoverishment and despair. And there is real momentum because the international community has banded together in a sustained and unprecedented effort," Annan said.

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## Relief, Development Aid for Africa Linked, USAID's Natsios Says

1,598 words  
29 June 2005  
16:05

### [All Africa](#)

English

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Washington, DC, Jun 28, 2005 (U.S. Agency for International Development/All Africa Global Media via COMTEX) --

Agency head tells U.N. lack of relief can fuel instability, hinder development

"Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk," U.S. Agency for International Development (USAID) Administrator Andrew Natsios told the United Nations in New York June 27.

Natsios pointed out that humanitarian relief is often separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. But, he said, "We must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult."

To that end, President Bush recently announced an additional \$674 million for humanitarian emergencies in Africa in 2005 -- beyond the approximately \$1.4 billion already committed, Natsios said.

The USAID administrator spoke at a ministerial-level meeting on **financing for development**. The two-day session was a follow-up to the historic 2002 development summit in Monterrey, Mexico, that brokered a partnership against poverty. It aimed to give governments an opportunity to consolidate or add to their development packages in support of the U.N. Millennium Development Goals and is a precursor to the Group of Eight (or G8, consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and Russia) meeting July 6-8 and to the United Nations' 60th Anniversary Summit in September. (See related article.)

The United States, he said, has also been the leading contributor to health issues for Africa both through the Global Fund for Fighting HIV/AIDS, Tuberculosis and Malaria and the President's Emergency Plan for AIDS Relief. The Bush administration's five-year, \$15 billion emergency plan, announced in 2003, is providing funds to fight the pandemic, with a special focus on 15 hardest-hit countries.

But the way forward is economic development, and the United States has been instrumental in helping countries participate in trade negotiations, obtain commitments and benefit from trade, Natsios said.

The United States is "enthusiastic" about the New Partnership for African Development's (NEPAD) goal of linking poverty eradication, sustainable growth, global integration, and good governance, and it is providing support to the initiative, he said. The partnership - a strategic framework for "Africa's renewal" - led by the African Union is working to eradicate poverty,



advance sustainable growth, enhance Africa's integration in the global economy and accelerate the empowerment of women.

As countries prove their commitment to change and reform, to govern justly, invest in their people and maintain policies and institutions that support market-led growth, they will be eligible to receive billions of dollars from the U.S. Millennium Challenge Corporation (MCC) in coming years, Natsios said.

The MCC administers the Millennium Challenge Account, a supplementary aid program launched by President Bush to reward poor nations that invest in the education and health care of their citizens, fight corruption and promote good governance.

For additional information on U.S. development assistance, see Millennium Challenge Account.

Following is the text of the Natsios' statement:

U.S. Agency for International Development

Statement by Andrew Natsios

Administrator, U.S. Agency for International Development

At the United Nations High Level Dialogue on **Financing For Development**

New York, NY

Monday, June 27, 2005

MR. NATSIOS: Thank you, Mr. President.

Today, three years after the U.N. Conference on **Financing for Development**, its outcome -- the Monterrey Consensus -- has become the definitive framework for successful development. Developing countries and donors alike have embraced its emphasis on good governance and domestic ownership of development strategies, while trade and private investment are widely recognized as essential.

In setting out the principles of the New Partnership for African Development (NEPAD), African leaders are linking poverty eradication, sustainable growth, global integration, and good governance. We, in the United States, are enthusiastic about NEPAD and are providing support to the initiative.

For its part, the United States has increased Official Development Assistance even beyond President Bush's Monterrey pledge -- U.S. assistance increased from \$10 billion in 2000 to \$19 billion in 2004 -- a quarter of the OECD total.

However, these ODA increases must be matched by increases in effectiveness and sustainability. Achieving the goals of the Millennium Declaration is not just about the mobilization of resources alone.

Countries that have proven their commitment to change and reform -- that govern justly, invest in their people and maintain policies and institutions that support market-led growth will receive billions of dollars from the Millennium Challenge Corporation of the United States Government in coming years.

Too often, humanitarian relief has been separated from development and from achievement of the goals of the Millennium Declaration, as though they are not related to each other. In Africa -- which has more fragile or vulnerable states than any other region -- we must respond to the current food emergency or these countries will be destined for further instability and the achievement of their development goals will be even more difficult.

To assist states in crisis and conflict return to stability and get on the path to sustained growth, President Bush recently announced that we will provide an additional \$674 million for humanitarian emergencies in Africa this year in partnership with the United Kingdom -- beyond the approximately \$1.4 billion already committed.

By joining with socially responsible private sector partners in our Global Development Alliance, USAID since 2002 has invested \$1 billion in 290 public-private alliances in 98 countries -- and thus leveraged more than \$3.7 billion in total partner resources.

As a founder and largest donor of the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, the United States Government provided \$459 million to the Fund in 2004. The U.S. contribution for HIV/AIDS programs totaled more than \$2.8 billion in the current fiscal year. In addition, we provide approximately \$500 million annually for voluntary family planning and maternal health care in 60 countries.

Without sustained high rates of economic growth in developing countries, the achievement of the goals of the Millennium Declaration will be put at risk.

The United States leads the world in liberalizing trade and helping countries participate in negotiations, obtain commitments, and benefit from trade. The completion of the Doha Round, to which the U.S. is committed, could add \$200 billion annually to developing countries' income and lift more than 500 million people out of poverty.

The U.S. and other G-8 countries have called for 100 percent cancellation of debt obligations owed to the World Bank, the African Development Bank, and the International Monetary Fund which will result in approximately \$40 billion in immediate debt relief - and could reach more than \$56 billion if all Heavily Indebted Poor Countries become eligible.

We recognize that the volumes of aid and other development resources must increase significantly. But if we are to continue the recent increases in ODA and assure the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results.

There is ample evidence that ODA is not usually the limiting factor on national development. Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people.

The Report of the U.N. Commission on the Private Sector and Development estimates that developing countries have \$9.4 trillion dollars in private financial assets that cannot be fully mobilized for development, largely because of corruption and inadequate legal protections for property and contracts.

Competitive, well-regulated private markets are indispensable because they are the most effective institution ever devised for allocating resources efficiently, for fostering innovation, and for communicating information that helps consumers and producers make decisions. Regulatory frameworks should aim to build the public's confidence in private markets to protect property, enforce contracts, and generally respect the rule of law.

According to a World Bank study, in one developing country, it takes 203 days to register a business, while in yet another country, enforcing a contract takes 1,459 days. With barriers to

business formation and entrepreneurship like this, businesses remain small and in the informal sector. There is no point in debating whether ODA should be \$68 billion or \$100 billion or \$195 billion when the most basic policies for generating wealth are not in place.

A significant way that the U.N. can support development is by helping countries make and implement the right choices in governing well. The U.N. is well placed to offer such assistance, for example, through providing a forum for south-south peer reviews and showcasing progress on nations' efforts to strengthen the rule of law, govern justly, end corruption, strengthen the financial sector, attract businesses to the formal sector, and open up trade. Policy reforms such as these should be at the heart of the UN's development activities.

Mr. President, ending poverty is a serious challenge. Building effective and equitable economic institutions takes time, persistence, and reform. Policies must be put in place to safeguard the most vulnerable members of society. The good news is that many countries have already blazed a trail and that the United States and the international community will help those prepared to help themselves. With the right choices, we have a good chance of reaching the goals we set for ourselves at Monterrey and in the Millennium Declaration.

Thank you.



## **Des nations riches n'honorent pas encore les promesses d'aide**

1,222 words

4 July 2005

16:05

[All Africa](#)

French

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Jul 02, 2005 (Inter Press Service/AllAfrica Global Media via COMTEX) --

- Une réunion de haut niveau de l'ONU, pendant deux jours, portant sur le développement du financement, s'est conclue à New York sur une note prévisible : les nations en développement critiquant les pays industrialisés pour avoir manqué à leurs promesses d'accroître l'assistance pour aider à éradiquer la pauvreté.

S'exprimant au nom des 132 nations en développement du Groupe des 77, le ministre jamaïcain des Affaires étrangères, Delano Franklyn, a déclaré que les donateurs occidentaux n'avaient pas honoré les engagements pris à une conférence décisive de l'ONU sur le développement du financement à Monterrey, au Mexique, il y a trois ans.

"Tous les rapports, bilans, analyses et consultations sur le développement depuis Monterrey conduisent à une conclusion générale de taille, à savoir que la communauté internationale est très loin d'avoir mobilisé le niveau de ressources requises pour financer le niveau de développement envisagé dans les sommets et conférences axés sur le développement y compris le Sommet du millénaire pour le développement", a-t-il affirmé.

La conférence de Monterrey a exhorté les nations industrialisées à faire des "efforts concrets" en vue de la réalisation du vieil objectif de l'ONU - de 0,7 pour cent du produit national brut (PNB) - comme aide publique au développement (APD) aux nations en développement.

Mais jusqu'ici, seuls cinq pays -- le Danemark, la Norvège, la Suède, le Luxembourg et les Pays-Bas -- ont soit atteint soit dépassé l'objectif de 0,7 pour cent fixé par l'Assemblée générale de l'ONU dans les années 1960.

L'Union européenne (UE), forte de 25 membres, s'est toutefois entendue, le mois dernier, sur un objectif collectif de 0,56 d'ici à 2010, et de 0,7 pour cent d'ici à 2015. Toutefois, des pays comme les Etats-Unis et le Japon, deux des nations les plus riches au monde, ont refusé de prendre des engagements fermes.

Ironie du sort, a déclaré Franklyn, des ressources vont dans la mauvaise direction -- non pas des pays développés vers les pays en développement, mais dans le sens opposé.

"Il y a une augmentation du transfert net de ressources en provenance des pays en développement, en tant que groupe, vers des pays développés et des institutions financières multilatérales pour le remboursement du service de la dette et autres paiements", a-t-il ajouté.

Ces "transferts négatifs", qui ont persisté au cours de ces huit dernières années, ont atteint une somme incroyable de 312 milliards de dollars en 2004, a indiqué Franklyn.

Par contre, l'APD des pays riches vers les nations pauvres a atteint seulement 78 milliards de dollars en 2004 -- une augmentation par rapport aux 52 milliards de dollars en 2001, une baisse record en termes de pourcentage de revenu de pays donateurs.

Dans un rapport à la réunion de deux jours, qui a pris fin mardi, le secrétaire général de l'ONU, Kofi Annan, a dit que l'augmentation ne l'était qu'en "termes nominaux" seulement.

"Beaucoup plus doit être fait en vue d'accroître l'assistance pour garantir le financement requis pour atteindre les Objectifs du millénaire pour le développement (OMD), " a-t-il souligné.

Les OMD comprennent une réduction de 50 pour cent de la pauvreté et de la faim; l'éducation primaire universelle; une réduction de la mortalité infantile des deux tiers; une diminution de la mortalité maternelle des trois-quarts; la promotion de l'égalité de genre; l'arrêt de la propagation du VIH/SIDA, du paludisme et d'autres maladies; la viabilité de l'environnement; et un partenariat global pour le développement.

Un sommet de 189 dirigeants de la planète en septembre 2000 a promis de réaliser tous ces objectifs d'ici à 2015. Mais leur mise en oeuvre dépendait principalement de l'accroissement de l'aide au développement par les donateurs occidentaux.

Une deuxième rencontre au sommet, prévue pour se tenir à New York en septembre de cette année, passera en revue les progrès accomplis jusqu'ici et arrêtera le programme de développement du monde pour la prochaine décennie.

Le rapport d'Annan souligne qu'il est important d'introduire des règles significatives pour un traitement spécial et différentiel; de fournir un accès hors taxe immédiat et un accès sans quota pour toutes les exportations en provenance des 50 pays les moins avancés (PMA) du monde; ainsi qu'un soutien spécial aux pays dépendant des matières premières pour diversifier leurs exportations.

**Hilary Benn**, le secrétaire d'Etat britannique pour le Développement international, a présenté une image peu reluisante de l'état actuel des OMD lorsqu'il a dit aux délégués qu'aux taux de progrès actuels, plusieurs des objectifs seraient atteints "avec beaucoup trop de retard".

Benn a souligné que l'éducation primaire pour tous ne serait pas atteinte avant 2130 -- avec 115 ans de retard; la pauvreté n'aurait pas été réduite de moitié avant 2150; et les maladies infantiles qu'on peut prévenir ne disparaîtraient pas fin avant 2165.

"Ceux qui sont morts aujourd'hui, étaient malades aujourd'hui, ne sont pas allés à l'école aujourd'hui, et étaient pauvres aujourd'hui, ne pourraient pas attendre aussi longtemps. Pour les aider, la communauté internationale doit fournir une aide plus substantielle et meilleure, un allègement de la dette et un commerce favorables", a-t-il ajouté.

A une conférence de presse lundi, Benn a choisi en particulier deux développements significatifs qui ont eu lieu le mois dernier : l'accord de l'UE pour accroître l'APD entre d'ici à 2015, et l'accord pour l'annulation de la dette présentée par le ministre des Finances de la Grande-Bretagne, Gordon Brown.

L'APD en provenance des nations de l'UE, a-t-il dit, devrait passer de 40 milliards de dollars à 80 milliards de dollars d'ici à 2010, dont la moitié irait à l'Afrique.

Le second accord sur l'annulation de la dette doit fournir un potentiel de 55 milliards de dollars de dettes à annuler pour près de 38 pays, a-t-il dit.

Mais Jubilé Sud, un réseau mondial d'organisations non gouvernementales (ONG), estime que seule "l'annulation inconditionnelle" de toutes les dettes réclamées par toutes les nations en développement "libérera les peuples du Sud de la domination de la dette".

"L'annulation de la dette multilatérale proposée actuellement est encore clairement liée à la conformité avec les conditionnalités qui aggravent la pauvreté, ouvrent davantage nos pays à l'exploitation et au pillage, et perpétuent la domination du Sud", a-t-il souligné.

La ministre norvégienne du Développement international, Hilde Johnson, était très pessimiste sur les lentes avancées dans la réalisation des OMD. "Tout le monde savait ce qui était nécessaire, cependant nous traînons les pas", a-t-elle indiqué.

Sans la volonté de reformer, les OMD seraient "un peu plus qu'un voeu pieu". Elle a ajouté que ces objectifs allaient bientôt rejoindre d'autres initiatives bien intentionnées dans "le cimetière des promesses non tenues" à l'endroit des pauvres.

"On ne doit pas accepter que cela arrive", a déclaré Johnson. "Il fallait plus d'aide, ainsi que plus d'allègement de la dette. Il en était de même pour l'argent frais".



## **L'aide et la bonne gouvernance sont essentielles au développement, dit M. Natsios**

942 words

29 June 2005

16:05

[All Africa](#)

French

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Washington, DC, Jun 28, 2005 (United States Department of State/AllAfrica Global Media via COMTEX) --

Propos de l'administrateur de l'USAID à une session spéciale de l'ONU

Correspondante du " Washington File "

Nations unies - Pour appuyer la croissance et éradiquer la pauvreté dans les pays en développement, il ne suffit pas de faire des contributions financières, il faut aussi une combinaison de conditions propices et notamment mobiliser les ressources, encourager le commerce et l'investissement et veiller à une bonne gouvernance, a déclaré l'administrateur de l'Agence des États-Unis pour le développement international (USAID), M. **Andrew Natsios**, lors d'une session spéciale de l'Assemblée générale des Nations unies.

S'adressant le 27 juin aux participants au " Dialogue de haut niveau de l'Assemblée générale sur le financement du développement ", M. Natsios a précisé que les États-Unis ne pensaient pas qu'il faille fixer un montant particulier en matière d'aide pour réussir le développement et apporter des améliorations définitives au sort des gens.

" Il ne sert à rien de discuter du montant idéal de l'aide publique au développement, de dire qu'elle devrait être de 68 milliards de dollars, de 100 milliards ou de 195 milliards lorsque les règles les plus fondamentales nécessaires à la génération de la richesse ne sont pas en place ", a fait remarquer M. Natsios.

" Le progrès du développement est, en tout premier lieu, lié à l'engagement pris par les pays et à la volonté politique de gouverner équitablement, de promouvoir la liberté économique et d'investir dans la population ", a-t-il ajouté.

Les États-Unis, a-t-il indiqué, admettent la nécessité d'accroître le volume de l'aide et des autres ressources visant le développement. " Mais, pour maintenir les récentes augmentations de l'aide publique au développement et garantir que les objectifs énoncés dans la Déclaration du millénaire pourront être atteints, nous devons aussi garantir l'efficacité, la durabilité et les résultats de cette aide ", a-t-il déclaré.

Un rapport de la Commission de l'ONU sur le secteur privé et le développement, a-t-il rappelé, " estime que les pays en développement ont des avoirs privés se montant à 9,4 milliards de dollars qui ne peuvent être pleinement mobilisés, du fait surtout de la corruption et de protections juridiques inadéquates pour ce qui est des biens et des contrats ".

Il a précisé que dans l'un des pays en développement, il fallait 203 jours pour enregistrer une entreprise alors que dans un autre, il fallait 1.459 jours pour faire respecter les clauses d'un

contrat. Du fait des obstacles auxquels se butent les entreprises, celles-ci restent petites et en marge de l'économie.

L'aide publique au développement des États-Unis, a-t-il précisé, a été supérieure à l'engagement pris par le président Bush lors du sommet sur le développement qui s'est tenu en 2002 à Monterrey (Mexique). Cette aide est passée de 10 milliards de dollars en 2000 à plus de 19 milliards en 2004, un quart du total ayant été fourni par les membres de l'Organisation de coopération et le développement économiques (OCDE). Les États-Unis versent environ 500 millions de dollars par an aux services de planification familiale volontaire et de soins maternels dans 60 pays.

L'USAID, a-t-il indiqué, s'est associée à des sociétés privées faisant preuve de responsabilité sociale, et a, depuis 2002, investi 1 milliard de dollars dans 290 alliances entre les secteurs public et privé dans 98 pays, suscitant un apport de 3 milliards de dollars de la part de ses partenaires.

Il a souligné que, dans les prochaines années, le Compte du millénaire devrait aider financièrement les pays qui gouvernent de façon équitable, investissent dans leur population et appuient la croissance reposant sur l'économie de marché.

L'administrateur de l'USAID a aussi loué le Nouveau Partenariat pour le développement en Afrique (NEPAD), auquel les États-Unis accordent tout leur soutien. L'objectif du NEPAD, mené sous la direction de l'Union africaine, est de trouver des solutions aux difficultés auxquelles se heurte le continent africain et d'œuvrer à l'éradication de la pauvreté, à promouvoir une croissance durable, à faciliter l'intégration de l'Afrique à l'économie internationale et à accélérer l'émancipation des femmes.

Pour sa part, le secrétaire général de l'ONU, M. Kofi Annan, a déclaré aux participants à la réunion que, conjuguées à un travail acharné pendant de nombreuses années, les annonces faites récemment à propos de l'allègement de la dette et des augmentations de l'aide publique au développement " nous ont amenés à un seuil décisif dans notre recherche du développement et de la dignité humaine ".

L'espoir est aujourd'hui permis, a dit M. Annan, " car de nombreux pays en développement ont réussi à sortir des millions de personnes de la pauvreté (...) Et le mouvement est réellement engagé parce que les membres de la communauté internationale ont joint leurs forces et ont fait des efforts soutenus et sans précédent. "

Le Dialogue de haut niveau de l'Assemblée générale sur le financement du développement, qui se tient les 27 et 28 juin à New York, vise à donner aux gouvernements une occasion de consolider ou de renforcer leurs projets d'aide au développement en appui aux Objectifs du millénaire pour le développement et à les préparer pour le prochain sommet du G8 qui se tiendra du 6 au 8 juillet en Écosse et le Sommet marquant le 60e anniversaire des Nations unies, en septembre.

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## **Annan calls on rich, poor nations to end poverty**

Tehran, June 28, IRNA

UN-Poverty-Annan

After many years of hard work and compromise, the world is now on the threshold of a breakthrough in the pursuit of development and human dignity, United Nations Secretary-General Kofi Annan called on rich nations to provide the funding and poor nations to affect the necessary reforms to clinch the global deal to "make poverty history."

According to UN Information Center (UNIC) in Tehran, Annan said, "There is real hope today because, first and foremost, many developing countries have succeeded in lifting millions of people out of impoverishment and despair.

And there is real momentum because the international community has banded together in a sustained, unprecedented effort," Mr. Annan told the General Assembly's High-Level Dialogue on Financing for Development.

The Assembly has gathered finance ministers in New York to debate the status of worldwide efforts to implement the Monterrey Consensus, the landmark agreement adopted by world leaders at an international development summit in Mexico in 2002. The two-day meeting will be built around a series of formal and informal meetings and six interactive round-table discussions on issues that include international trade as an engine for development, and mobilizing domestic financial resources for development.

In Monterrey, developed nations agreed to a new bargain with the world's developing nations: donors would increase aid spending and the world's poor nations would carry out economic and political reforms to ensure that development assistance money gets spent effectively, chiefly towards meeting the UN Millennium Development Goals (MDGs), a set of ambitious targets, ranging from halving extreme poverty, to halting the spread of HIV/AIDS and to providing universal primary education, all by 2015."

"The Millennium Development Goals have become a rallying point of unparalleled scope - the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged, Mr. Annan said today, adding that the Monterrey Consensus has "brought rich and poor countries together in partnership." "The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the Secretary-General, making reference to the 6 to 8 July meeting of the Group of Eight industrialized nations in Gleneagles, Scotland, and the Assembly's upcoming September summit to review the MDGs and make decisions on UN renewal.

Mr. Annan called the decision taken earlier this month by the G8 finance ministers to write off the staggering debt of some developing countries "very encouraging," and noted the European Union has agreed to a clear timetable for reaching the 0.7 percent target for official development assistance (ODA) by 2015. "This will offer a chance to finally overcome the resource shortfalls that have kept so many millions of people mired in squalor," he said.

"Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda.

Rich and poor alike must do their part. Responsibility flows both ways," he said.

"So let us work together for a successful World Summit. Let us grasp this opportunity to advance the cause of development, as well as the security and human rights agendas that are so closely bound up with it. Let us show

that needless, senseless human misery shall have no place in our world," Mr. Annan said.

General Assembly President Jean Ping of Gabon said that today's dialogue was particularly significant because it would allow for passing one more milestone on the road towards the September summit.

The Monterrey conference reflected the international community's growing awareness about the complex development issues and the lack of financial resources in poor countries. Looking ahead to the upcoming 2005 World Summit, Mr. Ping said it was essential to ensure that the monetary system was more consistent and cohesive to enable developing countries to reform and to mobilize national resources.

He reiterated the appeal of heads of State at Monterrey calling for an international follow-up conference to report on the implementation of the Monterrey Consensus.

Arrangements for such a conference must be decided on in 2005 at the latest.

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### **Annan urges EU to assist developing states**

Tehran, June 29, IRNA

UN-Annan-EU

UN Secretary-General Kofi Annan Tuesday called on the European Union (EU) to go further in its efforts to assist developing countries.

"Development is a continuous process," Annan told a lunch hosted by the EU, in conjunction with the General Assembly's two-day meeting on Financing for Development which has gathered finance ministers in New York to assess efforts to implement the Monterrey Consensus, the 2002 agreement through which donors would increase aid and the world's poor nations would carry out economic and political reforms to ensure that aid money gets spent effectively.

The Consensus, he said, encompasses broader development issues such as growing inequality, globalization, trade-related matters, coherence between financial, trade, aid and debt policies and other systemic questions.

"It also focuses on the long term," he said, "through its emphasis on human capital, which is any country's most abundant resource." In that context, he asked the EU to complete its debt cancellation initiative, carried out within the G8 group of industrialized countries, and to ensure that goods from developing countries have wider access to European markets and no longer have to compete against subsidized products.

He also noted that the EU is well-placed to increase the participation of developing countries in global economic decision-making, by agreeing to changes at the World Bank and the International Monetary Fund (IMF).

By asking for these steps, Annan stressed he is not losing sight of the responsibility that developing countries bear in their own progress.

On the contrary, he said he aimed to improve both sides of the partnership begun at Monterrey.

"That is why we are here," he concluded. "To build the strong partnership for development that is itself the eighth Millennium Goal."

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## Pre-G8 development assessment at U.N.

**UPI - UPI - Tuesday, June 28, 2005**

Date: Tuesday, June 28, 2005 4:26:08 PM EST By WILLIAM M. REILLY, UPI United Nations Correspondent

UNITED NATIONS, June 28 (UPI) -- Finance ministers and similar high-ranking officials or their representatives have been taking the pulse of progress in the U.N. General Assembly following the 2002 international development summit in Monterrey, Mexico, and on the threshold of the Group of Eight Summit in Gleneagles, Scotland, July 6 -8.

U.N. Secretary-General Kofi Annan told the ranking government officials and representatives from such international institutions as the World Bank, International Monetary Fund and World Trade Organization -- the same combination that worked out the Monterrey accord -- were about to reach a breakthrough in the pursuit of development and human dignity.

Monday and Tuesday officials discussed international trade as an engine for development, and mobilizing domestic financial resources for development.

In Monterrey, developed nations agreed with the world's developing nations the donors would increase aid spending and the world's poor nations would carry out economic and political reforms to ensure development assistance money gets spent effectively, chiefly toward meeting the U.N. Millennium Development Goals.

The MDGs range from halving extreme poverty, to halting the spread of HIV/AIDS and to providing universal primary education, all by 2015.

"The MDGs have become a rallying point of unparalleled scope - the globally accepted benchmarks by which our policies should be fashioned, and by which our progress should be judged," Annan said at the outset of the meeting.

"The question now, just days before the G8 summit, and less than 12 weeks before the 2005 World Summit here at the United Nations, is whether we can close the deal," said the secretary-general, referring to the group of eight most industrialized nations in Gleneagles and the assembly's upcoming September summit to review the MDGs and make decisions on U.N. reform.

Annan called the decision earlier this month by the G8 finance ministers to write off debt of some developing countries "very encouraging," and noted the European Union had agreed to a clear timetable for reaching the 0.7 percent of gross domestic product target for official development assistance by 2015.

"This will offer a chance to finally overcome the resource shortfalls that have kept so many millions of people mired in squalor," he said. "Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda. Rich and poor alike must do their part. Responsibility flows both ways."

Annan said it was not long ago many had feared development in the world's poorest countries could become a lost cause, with some stating extreme poverty was a sad but inescapable aspect of the human condition.

But that view was now seen as intellectually indefensible and morally untenable, and it was widely recognized poverty must and could be defeated.

Many developing countries had succeeded in lifting millions of people out of impoverishment and despair, and the international community had banded together in a sustained, unprecedented effort.

General Assembly President Jean Ping of Gabon said the Monterrey conference reflected the international community's growing awareness about the complex development issues and the lack of financial resources in poor countries.

Looking ahead to the upcoming U.N. summit, Ping said it was essential to ensure the monetary system was more consistent and cohesive to enable developing countries to reform and to mobilize national resources.

The U.N.'s High-level Dialogue on Financing for Development offered an opportunity for governments to consolidate or add to the development

package that was being assembled internationally in support of the MDGs.

Jamaica Minister of State Delano Franklyn, speaking on behalf of the Group of 77 developing countries and China -- now a coalition of more than 130 nations -- said "all reports, reviews, analyses and consultations on development" since Monterrey leads to the conclusion: "The international community is far short of mobilizing the level of resources required to finance the level of development envisaged in the development-oriented summits and conferences, including the Millennium Summit. An unprecedented, multidimensional coherent thrust will be needed."

Hilary Benn, Britain's secretary of state for international development, said several Millennium Goals would be reached far too late.

"Primary education for all will not be achieved until 2130 -- 115 years too late; poverty will not be halved until 2150 -- 135 years too late; and we will not defeat avoidable infant diseases until 2165 -- 150 years too late," he said.

Said Benn, "Those who die today, are ill today, don't go to school today and are poor today cannot wait that long, and to help, we must provide more and better aid, debt relief and fairer trade."

But, he said progress was being made, with five of the EU 25 countries having already reached the GDP goal.

France's Minister of the Economy, Finance and Industry, Thierry Breton, said his nation, Brazil, Chile and Germany were calling for the rapid implementation of a pilot "solidarity levy based on airline tickets."

Subject to the sovereignty of participating countries, the levy could be earmarked to finance the most urgent human development programs, such as vaccination campaigns and the pooled purchase of HIV/AIDS treatments.

"In order to ensure a fair mechanism, the level of this levy could be different for different classes of travel or even reflect a country's wealth and a distinction could be made between domestic and international flights," Breton said, giving as examples a charge of about \$6 in economy class per passenger or a charge of about \$24 in business class.

He said it could generate about \$12 billion a year, "almost one-quarter of the estimated funding shortfall for the MDGs."

The air travel sector was being targeted because it benefited considerably from globalization, paid low tax rates and "because air passengers are rarely among the poorest or our citizens."

Andrew Natsios, administrator of the U.S. Agency for International Development seemed to excuse Washington's rate of about 0.17 of GDP for ODA, by pointing out

there was another part to the Monterrey bargain that was not being met, developing countries putting to an end corruption through good governance.

Still, he said, the United States, which promised at Monterrey to increase ODA 50 percent by 2006, "achieved that level three years early. In 2004, U.S. assistance totaled more than \$19 billion."

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UAE calls for financing development mechanism  
(Wam)

30 June 2005

NEW YORK — The UAE has underlined the importance of strengthening the political will of the international community towards developing a clear and integrated strategy for financing development.

"In spite of the important recommendations adopted by heads of state and government in the monetary conference in 2002, regarding the insufficient resources directed towards financing development programmes in developing and poorest countries, only a slight increase was noticed in the development assistance extended to those countries," said Mr. Hamad Hareb Al Habsi, Charge d'Affaires of the UAE mission to the United Nations in a statement on Tuesday to the high level dialogue of the 59th session of the General Assembly on financing for development.

According to him, this has left a negative impact on living conditions of the third world which has suffered for decades from poverty, hunger, unemployment, contagious diseases and deterioration of environment.

"Moreover, the problem of foreign debt and constant decline in the national gross income of those countries has resulted in marginalising those countries, deepening the economic, social and technological gap between them and the north countries, and created a status of inequality with regard to the opportunities of achieving welfare for their people."

The UAE, he added, which follows a steady foreign policy based on extending substantial development assistance to developing countries in the form of grants, aid, and easy loans equivalent, recently exceeded 3.5 per cent of its national gross income, is alarmed by the incomplete implementation of the commitments undertaken by the developed countries at the monetary conference with regard to increasing official and non-official assistance directed toward financing the development programs of the developing countries.

"Hence, we look forward to the important decisions to be taken by the G8 summit, which will be held in Scotland next month. In this connection, the UAE would like to affirm the importance of strengthening the political will of the international community towards developing a clear and integrated strategy for financing development based on the following:

1-commitment of international financial institutions and developed countries to allocate 0.7 per cent of their national gross income as official development assistance to developing countries, and to allocate a percentage of 0.15 to 0.20 to the least developed countries. Developed countries and international financial institutions must also ensure that such development assistance is provided free from any conditions. Other commitments include establishment of an international multilateral trading system which should be based on equality among countries, and aims, inter alia, at opening international markets for the products of developing countries, attracting foreign investments and capitals, and promoting

use of modern technologies for peaceful purposes.

2-commitment of governments of developing countries to perform their primary responsibilities, including mobilisation of foreign investments for financing development programs in accordance with the recommendation adopted by a series of conferences on south-south cooperation, the latest of which was the Doha conference recently held in Qatar, which called for the adoption of national plans for reforming financial and social institutions in such countries. The said conference also called for strengthening regional co-operation, especially in the areas of the exchange of expertise, development of financial and human resources, advancement of the private sector and the promotion of bilateral and regional agreements aimed at promoting investments in financial, industrial and technological fields.  
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