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**STATEMENT BY
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DEPUTY PRIME MINISTER
MINISTER OF FOREIGN AFFAIRS OF THE LAO PDR
CHAIRMAN OF THE GROUP OF LANDLOCKED
DEVELOPING COUNTRIES (LLDCs)
TO THE HIGH-LEVEL PLENARY MEETING
OF THE GENERAL ASSEMBLY 2005
ON FINANCING FOR DEVELOPMENT**

NEW YORK, 14 SEPTEMBER 2005

Mr. President,

Allow me to begin, on behalf of the Group of Landlocked Developing Countries, by sincerely thanking you for convening this important Meeting on FfD and for giving me the opportunity to address it. We deem it particularly timely and relevant for we believe the FfD process must go hand in hand with the High-level Plenary Meeting 2005 due to the interlocking nature of their commitments in the service of development. We trust that with your experienced gaveling this forum will be made a success.

We are likewise thankful to the UN Secretary-General for his comprehensive and analytical MDGs reports entitled "In larger freedom: towards development, security and human rights for all" and "The Millennium Development Goals 2005" which, among other things, stress the need to fully implement the "global partnership for development" as reaffirmed at the International Conference on Financing for Development at Monterey and the World Summit on Sustainable Development at Johannesburg. The reports specially recognize that mobilizing financial resources for development is central to the achievement of the internationally agreed development goals, including the MDGs.

We support the statement made by the representative of Jamaica, Chairman of G-77 and China giving a detailed assessment on the implementation of the Monterey Consensus and outlining principled position of the Group for its full, timely and effective implementation. However, I would like to highlight some points of great significance to the Group of LLDCs.

Mr. President,

Mobilizing financial resources, both domestic and external, remains vital for LLDCs to meet our special development needs. However, due to poor records of socio-economic development of LLDCs and an insignificant increase in ODA over the last decade, the efforts undertaken by LLDCs in raising funds for development has been far from satisfactory. To make matters worse, LLDCs perform poorly as hosts to FDI due chiefly to high transit transport costs, narrow resource base and small domestic markets. This therefore makes it difficult for LLDCs to be well loaded to finance our development programmes aimed at alleviating poverty and achieving sustained economic growth and integration into the world economy.

Against this backdrop, we reaffirm the need for the international community, specially donors to provide sufficient ODA and facilitate increased FDI flows to LLDCs to enable us to meet our special development needs. In this context, we welcome the establishment of timetables by developed countries, notably EU to reach the target of 0.7 per cent of GNI for ODA by no later than 2015 and urge those donors who have not done so to follow suit by 2006 and to attain 0.15 to 0.20 per cent of GNI for ODA to least developed countries.

Like other fellow developing countries, LLDCs embrace recent efforts and initiatives to enhance the quality and increase the impact of aid. Recognizing the need to implement agreed commitments on aid effectiveness, we call on developed countries to ensure that aid is untied and that development assistance is supportive of the national development priorities of our countries.

We also note with interest international efforts, contributions and discussions, particularly the Action Against Hunger and Poverty, aimed at identifying innovative and additional sources of financing for development. Similarly, we call for the operationalization of the World Solidarity Fund established by the General Assembly through contribution by the international community, in particular donor countries, international organizations, the private sector and individuals.

Mr. President,

Aware as you are, LLDCs are among the poorest countries and increasingly marginalized in the multilateral trading system. Excessive transport costs resulting from the lack of territorial access to the sea, remoteness and isolation from world markets, poor transport infrastructure and burdensome border crossings make them vulnerable as well. At present, LLDCs spend about 13 of their export earnings on transport and insurance services against that of roughly 8 per cent for other developing countries and 6 per cent for the developed economies. Since 1993, the participation of LLDCs in global trade has undergone a stand still, amounting to a share of 0.5 per cent for merchandise trade and 0.6 per cent for trade in services in 2002. Moreover, they remain heavily dependent on trade of limited primary commodities which is subject to high price volatility and stagnating global demand. Their imports and exports are prone to price hike due to high transit and transaction costs. All these have eroded their competitiveness in world trade and made them short of funding for development.

Although not an end in itself, trade can serve as engine for sustained growth and development. For that reason, it is our high expectation to see an open, universal, equitable, rule-based, predictable, non-discriminatory and development-oriented multilateral trading system. In this regard, we stress the importance of concluding the Doha Development Round preferably by 2006. In the same vein, we would like to renew our call for the current negotiations of the WTO on market access for agricultural and non-agricultural goods to give particular attention to products of special interest to landlocked developing countries as stipulated in the Almaty Programme of Action. To this end, we resolve to pursue our common position as outlined in the

Asuncion Platform for the Doha Development Round adopted at the Meeting of Trade Ministers of LLDCs, held in Asuncion, Paraguay, on 9-10 August 2005.

Mr. President,

Despite some kick-start achievements recorded by LLDCs in our efforts in the follow up to and implementation of the Almaty Programme of Action since its adoption at the 2003 Almaty Conference, much remains to be done to bring it into fruition. First and foremost, the programme of action needs to be integrated into priority tasks of all stakeholders and genuine partnership established and enhanced. On this note, we can not agree more with the UN Secretary-General asserting in his "MDGs Report 2005" that primary responsibility to achieve MDGs rests with developing countries, but international support is critical, especially for the poorest countries and for countries handicapped by geographical isolation.

Given the foregoing difficulties and constraints LLDCs face today, the objective of the Almaty Programme of Action will be unattainable without adequate financial and technical assistance from the international community. In this regard, we appeal to all stakeholders and development partners, in particular the donor community, to live up to their respective commitments as outlined in the Almaty Programme of Action. As mutually-reinforcing the follow-up to and implementation of the Almaty Programme of Action should remain an integral part of the overall implementation process of the outcomes of the major UN conferences and summits.

In conclusion, I wish the High-level Plenary Meeting of the sixtieth session of the General Assembly a brilliant success.

I thank you, Mr. President.