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## Second Committee

**Summary record of the 13th meeting**
Held at Headquarters, New York, on Monday, 22 October 2012, at 3 p.m.

*Chair*: Mr. Talbot ........................................................ (Guyana)
*later*: Mr. Stefanile (Vice-Chair) ........................................ (Italy)

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12-56148 (E)

*The meeting was called to order at 3.05 p.m.*

**Agenda item 19: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference** (A/67/339 and A/67/353)

1. **Ms. Akhtar** (Assistant Secretary-General for Economic Development), introducing the report of the Secretary-General on the Follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development (A/67/339), said that it provided an overview of recent developments related to the six thematic areas, namely: mobilizing domestic financial resources for development; mobilizing international resources for development: foreign direct investment and other private flows; international trade as an engine for development; increasing international financial and technical cooperation for development; external debt; and addressing systemic issues: enhancing the coherence and consistency of the international monetary, financial and trading systems in support of development. The final section highlighted the latest events in the financing for development follow-up process.

2. **Mr. Trepelkov** (Director of the Financing for Development Office), introducing the report of the Secretary-General on the modalities of the financing for development follow-up process (A/67/353), said that it summarized key intergovernmental mandates regarding the financing for development follow-up process and described the evolution of its institutional modalities, along with those of related intergovernmental processes.

3. It also provided elements for assessing the existing modalities of the financing for development follow-up process and outlined three options for strengthening the process. The options were: (a) continued incremental evolution of existing modalities; (b) creation of a new intergovernmental body; and (c) adoption of measures to ensure coordination and coherence with the intergovernmental process on sustainable development financing. The report also contained a number of conclusions for consideration.

4. **Mr. Djacta** (Algeria), speaking on behalf of the Group of 77 and China, said that the Group was concerned about the global decrease of core bilateral projects and programmes and the reduction in ODA budgets of 16 members of the Organization for Economic Cooperation and Development's Development Assistance Committee, including 4 of the largest donors. Some cuts had been in double digits.

5. Establishing an appropriate follow-up mechanism within the United Nations system, and notably a financing for development commission within the Economic and Social Council, was important in order to bridge the gap between policy and implementation. Innovative financing mechanisms could help developing countries mobilize additional development resources on a stable, predictable and voluntary basis; such resources should be disbursed in accordance with developing countries' priorities. However, developed countries must scale up their ODA and establish clear and transparent timetables in budget allocation processes to reach the target of 0.7 per cent of GNP.

6. The Group was greatly concerned about the threatening systemic problems and the possible impact on developing countries of the sovereign debt crises in Europe. Work on the reform of the global financial architecture must be intensified, as major objectives were still unfulfilled. While the United Nations had a central role to play in the financing for development follow-up process, all stakeholders needed to intensify their commitment. Systemic and architectural reforms should extend to the mandates, scope and governance of the Bretton Woods institutions (BWIs); and the reforms must reflect the reality and ensure full participation of developing countries in the decision-making process. Senior management at international financial institutions should be appointed through an open and merit-based selection process.

7. The Group welcomed the substantive discussions of the High-level Dialogue on Financing for Development and the Council's special high-level meeting with the BWIs, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD). Such discussions were an integral part of the financing for development follow-up process. It also welcomed the proposed establishment of a group consisting of UNCTAD, WTO and the BWIs.

8. The Group was looking forward to the conclusion of consultations on holding a follow-up conference on financing for development by 2013. It believed that the Council's role in promoting cooperation in the implementation of the Monterrey Consensus and Doha

Declaration and as a forum for multi-stakeholder involvement in the financing for development process should be further strengthened.

9. **Ms. Bethel** (Bahamas), speaking on behalf of the Caribbean Community (CARICOM), said that growth in CARICOM economies remained slow and tourism, remittances and foreign direct investment flows to the region were all down. Accordingly, CARICOM leaders had committed to exploring innovative ways to expand economic activity. Those efforts must be complemented with a dynamic partnership involving developed and developing countries and multilateral financial institutions. All countries must find the political will to act on their commitments so as to create a more conducive environment for the creation of a post-2015 framework that would address development in all its dimensions.

10. Given that new development assistance conditions and changes in international trading regimes had severely constrained the capacity of CARICOM members to foster growth, competitiveness and sustainable development, the Community called for a more nuanced approach to concessionary financing from development banks. There must be greater recognition of the needs of small, vulnerable and highly indebted economies, such as the CARICOM countries, whose needs continued to be overlooked by the international community. CARICOM reiterated its call for the conclusion of the Doha Development Round and reaffirmed the importance of holding a follow-up conference on financing for development in 2013.

11. Central to addressing international systemic and institutional issues was the enhancement of the financing for development follow-up and implementation mechanisms. After mentioning some of the proposals listed in the report of the Secretary-General (A/67/353), she stressed the need to tackle the issue head on in order, inter alia, to address matters related to financing for sustainable development. A strengthened financing for sustainable development process would provide a more desirable framework within which to view the work of the intergovernmental committee that had been agreed at the United Nations Conference on Sustainable Development (Rio+20).

12. Finally, CARICOM called on Member States to take bold steps to realize the commitments made in Monterrey and Doha and to achieve the internationally agreed development goals, including the MDGs.

13. **Mr. Khan** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that although member States had made considerable progress, full achievement of the MDGs remained a challenge. ASEAN had taken concrete steps towards market and financial integration and it agreed that a continued, incremental evolution of existing modalities of financing for development was necessary. However, it firmly believed that the agenda on financing for development was vitally important.

14. In that context, it wished to reiterate the five main points made during the fifth High-level Dialogue on Financing for Development. First, concrete steps must be taken to strengthen implementation of the six pillars of the Monterrey Consensus. Next, international financial regulation, monitoring and supervision must be strengthened and reform of the governance of the international financial system be expedited. Innovative financing mechanisms, such as Debt2Health and debt for nature swaps, should be encouraged as a complement to ODA. Moreover, strengthening international trade was critical. Accordingly, the Doha Round of negotiations should be concluded as soon as possible and greater efforts must be made to facilitate South-South trade. Lastly, the follow-up to the Monterrey Consensus should be carried out.

15. Referring to Rio+20, he said that ASEAN was looking forward to the establishment of a high-level political forum for sustainable development and to the outcome of the working group to be established by the General Assembly to work out an effective strategy of financing for sustainable development.

16. **Mr. Errázuriz** (Chile), speaking on behalf of the Community of Latin American and Caribbean States, noted that the report of the Secretary-General on modalities of the financing for development follow-up process (A/67/353) included a number of valuable proposals. In view of the damaging impact of the economic and financial crisis, the Community called for a complete reform of the global financial architecture, predictable and timely disbursement of multilateral resources and ODA and an end to procyclical conditionalities that denied developing countries the necessary fiscal and policy space.

17. The crisis had highlighted the urgent need to mobilize financial resources for development. It had

also underscored the potential role of special drawing rights (SDRs) as an effective and low-cost means of enabling developing countries to meet their external financing needs and enact countercyclical policies. The crisis could endanger debt sustainability in many developing and emerging countries. That problem was compounded by the lack of an efficient and fair debt restructuring mechanism.

18. The United Nations should continue to act as a focal point in the follow-up process; that would require closer interaction among the stakeholders, including the World Bank, the International Monetary Fund (IMF) and WTO. The Council should have a stronger leadership role. The time had come to convene a review conference on financing for development follow-up and decide whether to establish a financing for development committee.

19. **Mr. Zinsou** (Benin), speaking on behalf of the Group of Least Developed Countries, said that an enduring international partnership was essential to secure adequate resources and ensure development for all.

20. Noting that, far from increasing, ODA to least developing countries had been lower in 2011 than in 2010, the Group called for a full and timely fulfilment of all ODA commitments and an increase in commitment levels. The economic and financial crisis should not be used as a pretext for slowing delivery of agreed commitments.

21. The Group noted the steps taken by the BWIs towards a more representative and accountable governance structure, and stressed that all international financial institutions should ensure that the new facilities include the least developed countries. Such facilities must provide substantial funding and be readily accessible.

22. The United Nations should play an active role in strengthening coordination of the international financial system and architecture. In that regard, the Group called for the continuation of the open-ended working group to follow-up on the issues contained in the Outcome of the Conference on the World Financial and Economic Crisis and its Impact on Development and for greater involvement of developing countries in international financial norm-setting bodies.

23. The Group also drew attention to the need for special risk mitigation and institutional guarantee mechanisms to promote FDI in least developed countries, and stressed the need for a separate discussion on options for effective, sustainable development financing strategies so as to facilitate the mobilization of resources for sustainable development objectives. It hoped that the deliberations on the financing for development follow-up mechanism would be concluded during the present session.

24. Finally, with insufficient debt relief a major impediment to development, further steps were needed to ensure transparency in debt management. Public debt reduction policies should not affect the growth prospects of developing countries. Moreover, as the Heavily Indebted Poor Countries Initiative (HIPC) was reaching its end stage, there was a need for a new mechanism to ensure effective debt relief for least developed countries.

25. **Mr. Vasiliev** (Russian Federation) said that his delegation expected the Committee to adopt a balanced, comprehensive resolution on the issues of the post-Monterrey agenda. Such a resolution should take into account the relevant discussions in the "macroeconomic cluster", particularly on external debt, trade and the international financial system. Approaches agreed by the General Assembly should be duly reflected in efforts to enhance effective international cooperation for development, including in the outcome of the Fourth High-level Forum on Aid Effectiveness.

26. As international private capital flows, and particularly FDI, were such a vital complement to national and international development efforts, the financing for development follow-up process should focus more on attracting international investment and ensuring more effective use of investment opportunities. Given that portfolio investments remained vulnerable to broader economic factors, priority should be given to attracting direct capital investments in long-term strategic projects. The free movement of capital and trade could, if used effectively, become a catalyst for economic growth. However, that would require removing impediments to capital investments as well as large-scale technology swap projects.

27. Given the continued proliferation of processes in the area of financing for development, the priority should be to ensure coordination of United Nations efforts and avoid any duplication with the

implementation of the Rio+20 resolutions, including the sustainable development financing strategy. His delegation was open to engaging in a constructive dialogue with all stakeholders on the need for another review conference.

28. **Mr. Lee** Yongsoo (Republic of Korea) said that, given the magnitude of financing required to advance sustainable development and the post-2015 agenda, resources needed to be mobilized from a wide range of public, private and mixed sources. Discussions should be more forward-looking and realistic and reflect the changing landscape.

29. His delegation agreed that ODA was one of the most important resources for developing countries. While developed countries needed to fulfill their ODA commitments, parallel efforts must be made to enhance the role of South-South cooperation. Effective use of limited development resources was becoming more important than ever. The Busan Partnership for Effective Development Cooperation could provide useful building blocks and its elements needed to be duly considered during development financing deliberations.

30. Domestic resources were particularly important for long-term sustainable development. The experience of many countries had shown the importance of equitable tax systems and inclusive financing in increasing resource mobilization and reducing inequalities. Greater cooperation would help developing countries broaden their tax base, enhance financial inclusion of vulnerable population groups and address issues of illicit capital flows and tax havens.

31. Private capital flows and international trade were important engines for growth in developing countries. However, since the global economic crisis, FDI and trade had experienced marked volatility. Member States needed to manage short-term capital flows and foster a positive environment in developing countries so as to attract direct investment. In addition, steps must be taken to explore the potential of a green economy with a view to opening new markets and generating employment.

32. Finally, he said that his delegation wished to explore ways of improving the implementation and monitoring mechanisms of the existing follow-up process. It also expected to have discussions to reinforce coherence and coordination and avoid duplication between the existing process and the sustainable development financing process agreed to at Rio+20.

33. **Mr. Elmajerbi** (Libya) said that although capacity-building was primarily a national responsibility, ODA also had a fundamental role to play. Developed countries should not use the economic and financial crisis as a pretext for avoiding their ODA commitments. ODA should be increased in a stable and predictable manner. Innovative mechanisms should be developed in order to guarantee financing for development in accordance with the priorities of developing countries, provided that no additional debts were created and that ODA was not affected. Consideration should be given to the possibility of issuing additional SDRs.

34. The Monterrey Consensus and the Doha Declaration on Financing for Development provided a valuable comprehensive framework for international cooperation on development and poverty reduction. The United Nations, IMF, World Bank, WTO and Group of 20 should send a clear signal that they would coordinate their response to the crisis. The multilateral financial institutions should be reformed with a view to further increasing the role of developing countries and strengthening the regulation of the financial system. Efforts should be made to strengthen North-South, South-South and triangular cooperation.

35. *Mr. Stefanile (Vice-Chair) took the Chair*.

36. **Mr. Pedersen** (Norway) said that his country would continue to allocate 1 per cent of its GNI to ODA, which remained a critical source of financing for development. At the same time, development assistance needed to be used in a more catalytic manner. Investment and remittances were becoming more prominent as sources of financing from abroad. However, like ODA and foreign direct investment, they were not a substitute for domestic resource mobilization.

37. Illicit financial flows were an obstacle to economic development. Not only did they cause financial loss to Governments but they also undermined democracy. Preventing such flows required political will and transparency. Country-by-country reporting could help to reveal multinational companies' financial operations and give developing countries an opportunity to impose taxes.

38. Several Governments were discussing various innovative financial mechanisms, including the possibility of a tax on financial transactions. A tax on currency transactions would be one way of increasing funding for development, climate change measures and global public goods. His own Government strongly supported those efforts.

39. Although progress had been made towards reducing developing countries' debt burdens, the issue needed to be addressed in a more comprehensive manner. His Government welcomed discussions on a new international debt workout mechanism to create a fairer, more predictable and rules-based mechanism. It had decided to sign a three-year programme with UNCTAD with a view to formulating proposals for such a mechanism.

40. **Mr. Almansoori** (United Arab Emirates) said that greater efforts should be made to implement the recommendations of the Monterrey Consensus, the Doha Declaration and the Fourth High-level Forum on Aid Effectiveness. The outcomes of Rio+20 should also be implemented in a timely manner.

41. The United Arab Emirates had contained the effects of the downturn by fostering economic diversification and human resource development. The country provided employment to over 5 million migrant workers, whose remittances were a vital source of financing for development in their countries of origin. It was promoting policies to consolidate the legal framework, combat corruption and create an attractive environment for investment.

42. It was also investing in a growing range of areas abroad and was participating actively in development and reconstruction projects, particularly in Afghanistan, Pakistan and Yemen. It was also a member of the Contact Group on Piracy off the Coast of Somalia. It was investing in sustainable energy, particularly in Europe and small island developing States, as well as in food security and desalination projects at home and abroad. It maintained trade relations with a range of countries, particularly in Africa, and supported debt relief and debt cancellation for poor countries.

43. **Mr. Kumar** (India), noting that ODA had declined considerably, said that high unemployment, soaring food and energy prices and dwindling tax revenues were preventing many developing countries from mobilizing their domestic resources.

44. While foreign direct investment (FDI) had long been identified as an engine for growth, it must form productive linkages with the wider local economy and be consistent with sustainable development objectives. International trade also had an important part to play, but it had been affected by protectionist measures and the uncertainties associated with the sovereign debt crisis. A balanced and development-oriented outcome to the Doha Round was urgently needed. Debt had reached unprecedented levels in several developing countries; their plight should not be overshadowed by the crisis in the euro zone. Concerted efforts should be made to achieve debt relief and sustainability.

45. India was committed to sharing its expertise with other developing countries. Not only was it providing support but it had also begun to offer lines of credit and grants to boost economic and trade partnerships. However, South-South cooperation could not replace North-South cooperation, just as remittances and innovative sources of financing could not replace ODA.

46. In view of the crucial importance of technology transfer, swift action must be taken to develop a finance strategy and a technology mechanism in accordance with the outcome of Rio+20. Lastly, the international financial architecture was in need of comprehensive reform. The World Bank and IMF had taken important steps to enhance their governance structures and increase the voting power of developing countries. Those reforms must be implemented. Finally, progress in the context of the United Nations Framework Convention on Climate Change should take place on the basis of equity and common but differentiated responsibility.

47. **Mr. Momen** (Bangladesh) said that the Committee was set to adopt another routine resolution on financing for development at a time when the development programmes of LDCs were jeopardized by a crisis not of their own making. To contain the turmoil, developing countries, particularly the least developed, needed to implement countercyclical measures but lacked sufficient fiscal revenue to do so. Development partners should come forward with a stimulus package providing immediate liquidity. His delegation reiterated its appeal for a United Nations fund to fuel crisis-ridden economies. While the work done by the Ad Hoc Open-ended Working Group of the General Assembly to follow up on the issues contained in the Outcome of the Conference on the World

Financial and Economic Crisis and Its Impact on Development was commendable, it had yet to yield tangible results.

48. The crisis had underscored the need for a new international financial architecture. At the same time, the traditional classification of countries into high-income, middle-income, low-income and least developed was no longer adequate for a group of countries had emerged that was “least developed” not only in terms of geography and markets, but also in terms of vulnerability to climate change. The agreed measures to assist LDCs should be taken swiftly, and were not conditional on the completion of the Doha Round. The global financial architecture had systemic problems, such as failure to provide the poorer countries with the liquidity needed to reconcile their balance of payments and development financing in a predictable manner. The international community should therefore consider establishing an international debt arbitration and debt workout mechanism.

49. Reiterating the linkages between development financing and the MDGs, he said that Goal 8 on a global partnership for development should be fleshed out with specific targets and indicators, especially with regard to short-term liquidity supply and long-term development assistance. In the same way, the sustainable development goals should include specific indicators, including a time frame and sources of funding.

50. To make the poorer countries independent of SDRs, ODA or grants, the developing countries should be allowed to become players in the field of trade and development. The long-stalled Doha Round should be brought to a conclusion with all agricultural subsidies lifted; products from the least developed countries should be granted duty-free and quota-free access to developed country markets, and free movement of services under Mode 4. Failing such action, it would be futile for the Committee to continue adopting regular resolutions at a time when 1 billion people went hungry.

51. **Mr. de Almeida Carneiro Enge** (Brazil) said that the Monterrey Consensus and the Doha Declaration remained the best framework to address the financing for development process. The MDGs could still be achieved by 2015, provided that the international community mobilized significant, additional resources. ODA remained essential to developing countries. His delegation was therefore concerned to hear that there had been a decrease in core bilateral projects and programmes and it called on developed partners to implement their international commitments on development assistance, particularly with regard to the allocation of 0.7 per cent of their GNI to ODA.

52. Brazil remained concerned about the intergovernmental follow-up mechanism to the financing for development process. Although the multifaceted mechanism established by the Economic and Social Council had made important improvements, the current institutional arrangements still fell short of requirements. Accordingly, his delegation called for the creation of a functional commission on financing for development as a subsidiary body of the Council.

53. **Mr. Pisarevich** (Belarus) said that the outlook for financing for development and attainment of the MDGs was clouded by current economic trends and the threat of further global recession. The low number of OECD member States fulfilling their ODA commitments was cause for concern. Developed countries should not use the economic crisis as a pretext for failing to deliver on their commitments. Work must continue towards the global partnership for development. Active measures were needed in all areas identified by the Monterrey Consensus, particularly in terms of making global financial and economic governance more equitable and inclusive.

54. The changing global development landscape required new approaches. His delegation welcomed the Secretary-General’s report on modalities of the financing for development follow-up process (A/67/353) and agreed that the incremental evolution of existing modalities did not fully correspond to the current global situation. It continued to support the creation of a new intergovernmental body, for centralizing the financing for development process within the United Nations system was important. It also supported ensuring coordination and coherence with the intergovernmental process on sustainable development financing. Integrating the two processes was crucial, especially given the growing conviction that sustainable development should form the basis of the post-2015 development agenda. Furthermore, integration would help prevent duplication. In order to give the implementation of the new modalities practical impetus, Belarus was in favour of holding a conference on financing for development in 2013.

55. **Mr. Abdullah** (Malaysia) expressed concern at the disruptive effects of the European sovereign debt crisis for the developing world and noted that while some progress had been made, the Bretton Woods institutions were still in need of comprehensive reform in order to become more transparent and better representative of developing countries. All stakeholders should intensify their efforts to restore confidence in global economic and financial governance. The realization of the MDGs by 2015 remained in jeopardy, and many developing countries continued to rely on their limited domestic resources as the primary source of financing for development.

56. As a country that relied on international trade in order to promote domestic development, Malaysia was concerned at the slowing growth of international trade and the rise in protectionist measures. His country remained committed to a rules-based, open and equitable multilateral trading system conducive to global growth and sustainable development and called on WTO and other relevant bodies to continue monitoring protectionist policies and assess their impact on developing countries. Malaysia urged developed countries to show flexibility and political will in order to break the deadlock in the Doha Round. Aid for trade should be a complement to that process, rather than a substitute for it. Moreover, aid flows to developing countries remained below the agreed target, and the development of new and innovative resources, while positive, could not replace ODA.

57. The United Nations should have the central role in promoting financing for development. Every Member State must take primary responsibility for its own development and national efforts should be complemented by international programmes, measures and policies that took national conditions and ownership into account.

58. **Ms. Maniam** (Singapore) said that the Monterrey Consensus emphasized the primary responsibility of citizens and Governments for development. Since its adoption, developing countries had made significant progress in implementing national policies and mobilizing resources, leading to higher growth levels in some cases. However, given that domestic economies were interwoven with the global economic system, there was a need to boost North-South cooperation and complement it with South-South and triangular cooperation.

59. Singapore was doing its part to share its development experience through the Singapore Cooperation Programme and had organized training courses for over 75,000 public officers from 170 countries since 1992. Her country encouraged cross-regional initiatives to share best practices, mobilize resources and pursue economic liberalization and had welcomed regional frameworks such as the New Partnership for Africa’s Development. The Initiative for ASEAN Integration would tackle the development divide within ASEAN and between ASEAN and the rest of the world, as well as promoting the establishment of an ASEAN Economic Community by 2015.

60. **Mr. Rodríguez García** (Cuba), while welcoming the relevant reports of the Secretary-General, said that certain passages gave cause for concern. For example, paragraph 30 of the report on follow-up to and implementation of the Monterrey Consensus and Doha Declaration on Financing for Development (A/67/339) recommended the adoption of measures proposed at the Fourth High-level Forum on Aid Effectiveness. The Forum was separate from the United Nations, and not all Member States had participated. It was therefore not acceptable for it to be endorsed or followed up by any United Nations body.

61. The principal obstacle to global progress remained lack of resources. In fact, most developed countries had yet to comply with their modest ODA commitments. Because of those countries’ failure to shoulder their responsibilities, the establishment of a global partnership for development remained a pipe dream.

62. Cuba supported the convening in 2013 of a new conference to follow up the financing for development agenda. That conference should press for unconditional fulfillment of financial commitments to the South, particularly the goal that developed countries should allocate 0.7 per cent of their GNI to ODA; the cancellation of the external debt of countries of the South; the establishment of an equitable and balanced sovereign debt workout mechanism under the auspices of the United Nations; the resumption of the Doha Round and promotion of a comprehensive reform of the multilateral trading system; and the establishment of a new international financial architecture, including equitable and democratic institutions.

63. **Ms. Dong** Zhihua (China) said that the spillover effects of the sovereign debt crisis and the loose economic policies of the developed world had created a climate of uncertainty. Developing countries' policy space had been further restricted, and the total volume of ODA in 2011 had declined in real terms for the first time since 1997.

64. The United Nations should help strengthen an equal and mutually beneficial global development partnership. In order to promote strong, sustainable and balanced global growth, developed countries should carry out structural reforms, adopt responsible fiscal and monetary policies, and ensure the stability of investment markets while developing countries should formulate integrated policy measures and mobilize domestic resources for development.

65. Because financing for development was the primary responsibility of developed countries, the United Nations should encourage the delivery of ODA commitments. The international financial institutions should coordinate and mobilize resources for development.

66. The international community should accelerate the reform of the international financial system to increase the representation of developing countries and it should strengthen the regulation of cross-border capital flows and bulk commodity derivatives. It should also press for the resumption of the Doha Round in order to build a non-discriminatory and equitable international trading system, reduce and cancel the debts of developing countries and establish a fair, effective and development-oriented international mechanism for debt reorganization.

67. The follow-up of financing for development had thus far been ineffectual and must be revitalized. A follow-up mechanism should be established, and coordination and cooperation between the United Nations and the Bretton Woods institutions should be improved. A comprehensive assessment should be made in order to determine the funds needed by developing countries for the realization of the internationally agreed development goals.

68. Although millions of its own people were still living below the poverty line, China would further increase its South-South cooperation and continue to take an active part in international financing for development.

69. **Mr. Briens** (France) said that France remained committed to sustainable financing for development in accordance with the Monterrey Consensus and Doha Declaration. It promoted inclusive and endogenous development based on the mobilization of domestic resources and respect for national ownership. Because transparency and effectiveness were crucial, France cooperated with the United Nations Development Programme (UNDP) to strengthen tax systems in central and western Africa. Measures to curb illicit capital flows should be a particular priority.

70. ODA was an indispensable catalyst for development. In view of the global economic climate, France would maintain its levels of ODA while calling for the donor base to be broadened. In 2011, it had achieved its objective of allocating 0.15 per cent of its GNI to least developed countries. Some 60 per cent of its aid went to sub-Saharan Africa. However, tax resources and ODA were not sufficient; developing countries must also mobilize resources from the private sector, trade and remittances.

71. Innovative sources of funding should also be found. France had recently introduced a tax on international financial transactions; 10 per cent of the funds raised would be allocated to development. The Leading Group on Innovative Financing for Development, of which France was the Permanent Secretary, was encouraging a wide range of other options, including market mechanisms and future purchase guarantees. The United Nations had a vital role to play in promoting innovative funding mechanisms, and the Committee's resolution on financing for development should address the topic.

72. The effectiveness and quality of aid also required attention. France was committed to the recently launched Global Partnership for Effective Development Cooperation. The reform of United Nations operations through the Delivering as One initiative and the quadrennial comprehensive policy review would provide a further opportunity to foster good practices in a manner consistent with the principles agreed at Busan.

73. Lastly, the international community should agree on sustainable development goals; these should be based on three pillars, namely, social, economic and environmental development, and should be consistent with the Monterrey Consensus. The emergence of new economic powers meant that the North-South

dichotomy was obsolete; development was increasingly a matter of global public policy in which the United Nations had an essential role to play.

74. **Mr. Adejola** (Nigeria) said that the current deep economic recession and crises in the energy, food and financial sectors were jeopardizing the hopes that had rightly been placed in the Monterrey Consensus. The Doha Declaration had provided an opportunity to update the global financial agenda, but it had fallen short of expectations. Climate change was the greatest single challenge to the realization of the MDGs.

75. Like many other countries, Nigeria faced challenges in mobilizing the necessary resources. The country had introduced a transformation agenda aimed at developing infrastructure and promoting food security, notably by diversifying the economy. However, success would also depend on the international community adopting bold, coordinated and coherent responses to the global and economic crisis. All forms of financing for development would be needed, including ODA, FDI, improved sovereign debt management, remittance flows and domestic resources.

76. The international financial system should be reformed expeditiously in order to improve transparency and accountability. The reform of the Bretton Woods institutions, which was already under way, should increase the representation of developing countries. Bilateral and multilateral monitoring mechanisms should be strengthened in order to ensure that crises did not recur without warning. As a truly global inclusive body, the United Nations had a central role to play in promoting financing for development. It should therefore take on a more significant role in ensuring the effectiveness of regulatory authorities and preventing financial malpractice. Member States and institutional stakeholders should be allowed to participate more effectively in major intergovernmental meetings of the financing for development process.

*The meeting rose at 6.05 p.m.*