

Address to the Summit of the International Conference on Financing for Development

21 March 2002

Monterrey, Mexico

Honourable Chairman, President Vicente Fox, Your Excellencies, Heads of State and Government, Your Excellency, Mr Kofi Annan, Secretary General of the United Nations, Distinguished Delegates:

This historic meeting in Monterrey is a declaration of hope to the peoples of the world that the leadership of countries of the world is committed to "eradicate poverty, achieve sustained economic growth and promote sustainable development as we advance to a fully inclusive and equitable global economic system".

Our presence here signals unequivocally that we will act together as a potent force for global change. We are here to break new ground and to extend the frontiers of what is possible to attain balanced global development.

The mission which brought us here started, in earnest, at the Millennium Summit eighteen months ago where we stated that "We are committed to making the right to development a reality for everyone and to freeing the entire human race from want."

We have since been through the meeting of the World Trade Organisation in Doha, which committed to a development trade round. In Monterrey we must reach explicit commitments on the financing of development. We must then proceed with even greater clarity of purpose to Johannesburg in September this year to map out the detail for sustainable development.

This gathering has been favoured with a consensus document. This consensus must be accepted as a foundation on which we must build now.

We welcome the announcements made by both the European Union and the United States of America in the past few days substantially to increase the ODA commitments. We are greatly encouraged by the discussions here in Monterrey between representatives of governments and the private sector on the steps towards increased investment flows. We accept the proposals developed in round-tables here to improve on the coherence within countries and between the multilateral organisations. But, we must urge that more be done, soon.

If the world continues on the current trajectory, the combined threats of under-development, poverty, environmental degradation, ill health and disease, and conflicts over natural resources will undermine the prospects for political stability and prosperity across the globe. It is this which creates the urgency for an agreement on sustainable development.

But, to deliver on this agenda, we must return to the mandate of this Summit, of mobilising sufficient resources for sustainable development.

On international trade, we must urge that the post-Doha negotiations be treated with urgency. This must include the provision of increased market access for products from developing countries. We must call on the OECD countries to act on the more than \$360 billion of agricultural subsidies, which lock out imports from developing countries.

On Official Development Assistance, we appeal for a greater focus on the objective of defeating poverty and underdevelopment, simplification of procedures and greater transparency in the awarding of grants.

Perhaps it is appropriate to recall that the greatest tragedy of ODA is that it peaked at 0.35% of GNP in 1990 and has been in decline ever since. At a level of 0.23% of GNP currently, it is a far cry from the committed 0.7%.

On External Indebtedness, we appeal for a drastic revision of the terms and conditionalities applicable to the HIPC initiative. Unless we can staunch the outflow of scarce capital from the poorest countries, we will never enable the governments in poor countries to marshal the resources to improve on the quality of public services or to address the infrastructure deficits.

Of great importance, we must, all of us, commit to a partnership of mutual accountability between North and South to effect the necessary changes, as represented, for instance, by the New Partnership for Africa's Development, NEPAD. The premise of this partnership must be an unambiguous commitment to solving problems together, in a spirit of joint responsibility among governments and with the private sector and other organs of civil society.

At the same time, we must commit to improving the coherence between the multilateral institutions, to encourage the leadership of these institutions to undergo programmes of organisational transformation, and to assure them of our unstinting support.

The world we live in has the capital, technology and the human skills to end poverty and underdevelopment. The world's poor need this expression of hope, hope that we will take the correct decisions to end their misery.

We must, here in Monterrey, agree to find the resources to end the misery and degradation. At the Johannesburg World Summit for Sustainable Development, we must then fill in the detail, and do so in confidence, knowing that the plans will be fully financed in the future. Our responsibility as leaders together is to confirm that the trust of our peoples is well-founded. We cannot afford to fail.

I thank you.