



BANGLADESH

**Statement by H. E. Dr. Iftekhar Ahmed Chowdhury,
Ambassador and Permanent Representative of Bangladesh to the UN
at the Second Committee
on agenda item 51: Follow-up to and implementation of the outcome of the
International Conference on Financing for Development
60th Session of the UNGA New York, October 12, 2005**

Mr. Chairman,

Could I begin by thanking the presenters for their excellent inputs. Bangladesh aligns itself with the statement by the G77 and China Ambassador Stafford O. Neil of Jamaica. In addition, we would like to highlight the following points:

It has been three years since Monterrey. The world has changed much since then. Wealth and resources have expanded. So, sadly, the gap between the rich and the poor. Most least developed countries are still far from achieving the MDGs. They continue to confront the usual structural impediments. Some, though, have achieved a modicum of success. This has been the results of domestic efforts supplemented by broader partnership of stakeholders.

Mr. Chairman,

Bangladesh has undertaken a series of reforms in both political and economic sectors to foster an enabling business environment. We have liberalized our economies and adopted pro-market policies. We have also drawn-up a pro-poor and gender balanced PRSP through a broad-based consultative process. We have pressed into the service of development our own intellectual resources. As a result, we have achieved considerable progress in several socio-economic sectors. Though, Bangladesh has been on track in achieving some of the MDGs, we recognize that we have a long way to go. This is particularly so with regard to MDG I. We need effective support from the development partners to achieve the goal in due time.

Mr. Chairman,

We appreciate the the recent upward trend of ODA. Though the ODA disbursement to the LDCs has increased, it is still far below the target of 0.15 to 0.20 per cent of the GNP as reiterated in Brussels, Monterrey and the Millennium Summit 2005 as we have heard the representative of OHRLLS. We welcome, indeed "praise" as Ambassador Neil said, the EU's target of 0.56 by 2010 and 0.7 percent by 2015. We urge all developed countries that have not yet done so, to reach the 0.7 per cent target of their GNP with time bound commitment.

The current international debt relief measures are far from effective. Debt sustainability should be redefined in terms of achieving the MDGs. The G8 proposal for 100 percent debt cancellation owed by some HIPCs is a welcome effort. This proposal should be extended to all LDCs and for all bilateral and multilateral creditors. It also warrants a comprehensible road-map for immediate implementation.

All future assistance should be unconditional and on the basis of grant. The distribution of ODA should be rational and not politically motivated. Absorptive capacity is necessary for productive use of aid. The blueprint as sketched out by the Paris Declaration on Aid Effectiveness warrants careful consideration.

International Finance Facility through immediate frontloading of aid commitments and other innovative sources would be useful tool for additional resources. Successful aid architecture for new and innovative mechanism should fulfill six core principles. These are:

- i. effectiveness through minimization of transaction costs,
- ii. country ownership through direct budgetary support;
- iii. predictability with the assurance of a specified baseline of flows;
- iv. transparency to ensure public acceptance and support of the mechanism;
- v. additionality from the traditional sources; and finally they should be
- vi. free from any conditionality

Mr. Chairman,

Development can not result from expanded aid only. The Monterrey Consensus portrayed international trade as an engine for development. Ironically, the exports of LDCs today face a variety of barriers in their major markets. 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. After phasing out of the MFA, there is a growing need for trade adjustments. The proposal of "aid-for-trade fund" is significant. The SG report underscores that "It will help to provide the hardware and software of trade-related infrastructure and to build capacity and competitiveness in regard to commodities, manufacturing and services".

Migrant remittances have become an important source of foreign exchange for many developing countries. While all factors of production have free mobility across national boundaries, labour from the developing countries must be given access to developed countries under mode IV of GATS. Economic, social and human rights of all migrant workers require to be legally protected. Transfer of remittances should be unhindered and transaction costs must be minimal.

Mr. Chairman,

In order to conclude the Doha Round by 2006, some major developments need to occur within 2005. Singapore Ministerial of the WTO is a huge opportunity. No one wants the failure of Cancun to be repeated. The Secretary-General has urged negotiators from all countries to reach agreement on an end-game document at the Conference. The development dimension of the Doha Agenda is critically important. It should cover increased market access, flexibility in rules, longer transition periods for implementation, waiver from many reporting requirements and greater policy space for countries' own development strategies.

Mr. Chairman,

Currently, FDIs largely comprises private flows; but unfortunately, they concentrate on few emerging economies. Significant portions of such flows should be directed to the LDCs. Positive contribution of FDIs to development should also be ensured.

The global financial architecture needs to be revitalized. We need to bolster harmonization and coordination. Concrete measures should be taken to ensure enhanced participation of the developing countries, including LDCs, in the decision making processes of the IFIs. This would not just increase the legitimacy of these institutions; it would also render them more effective.

We need to follow-up on the commitments made at Monterrey. We place on record our deep appreciation to the State of Qatar for their offer to host such a conference in 2007.

To address the critical challenges facing the poor, immediate and substantial scaling up of efforts is needed. Additional resources will be the key to this renewed and reinvigorated endeavor. Only a true partnership involving all stakeholders can make a real sea change. We await this and meanwhile urge that a system be put in place that will reward performance and genuine reforms.

I thank you Mr. Chairman.