



# *Malaysia*

*Permanent Mission to the United Nations*

STATEMENT BY

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ON

RESOURCES MOBILIZATION AND ENABLING  
ENVIRONMENT FOR POVERTY ERADICATION IN THE CONTEXT OF THE  
IMPLEMENTATION OF THE PROGRAMME OF ACTION FOR THE LEAST  
DEVELOPED COUNTRIES FOR THE DECADE 2001-2010

AT

THE HIGH-LEVEL SEGMENT OF  
THE ECONOMIC AND SOCIAL COUNCIL

UNITED NATIONS  
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Madam President,

Let me begin by joining the others in congratulating you for the dedication and the good work that you have done as President of ECOSOC. My delegation would like to associate itself with the earlier statement made by Qatar on behalf of the Group of 77 and China.

Madam President,

2. The Brussels Program of Action (BPOA) has clearly outlined comprehensively various measures and has defined the respective responsibilities of both the LDCs as well as the partners toward achieving the set goals and targets. What is urgently needed at this stage is to ensure that those measures and commitments are translated into tangible deeds. In this connection it has been recognized that resource mobilization remains among the most pressing issues. Mobilisation of greater domestic and international resources poses a daunting challenge for LDCs in order to be on track to achieve the envisaged development targets.

3. In this respect, there is certainly a need to look at all possibilities including innovative financing beside the normal sources of finance. Financial intermediation system, especially microfinance institutions, must be expanded and further developed. It is hoped that the coming year which has been earmarked as the International Year for Microcredit would serve as a catalyst to promote creative ideas in microfinancing and expand the utilization of the existing approach to assist enterprises in need of financing in the LDCs.

4. The partners in developed countries must undertake to fulfill their obligation to meet the ODA target as pledged. It is important to continuously ensure that the ODA is untied to any condition. The implementation of the Highly Indebted Poor Countries Initiative should be expanded and accelerated as many LDCs rely heavily on the full implementation of the Initiative. The importance of freeing the LDCs from debt burden to enable them to use their resources for capital formation, development and poverty eradication needs no further elaboration. The fact remain that almost two thirds of LDCs are faced with unsustainable level of external indebtedness.

5. It is an established fact that economic growth especially in this era of globalization depend to a larger extend on trade. A combined figure of 50 LDCs with a population of over 600 million people represent a pathetic statistic that accounts for less than 1 per cent of the total global trade. It is therefore necessary for the partners in the developed countries to take the necessary measures to provide market access to the exports of LDCs especially by removing tariff, non-tariff, technical and other trade barriers. It is crucial for the developed countries to eliminate subsidies which negatively affect and marginalized the LDCs who are mainly producers and exporters of agricultural

goods. At the same time, efforts must be made to accelerate the LDCs accession process to WTO through a more streamlined and non-discriminatory process of accession as envisaged in the Zanzibar Ministerial Declaration of the LDCs. Integrating developing countries especially the LDCs into the multilateral trading system will increase the potential for poverty eradication and sustainable development. While doing so, attention should also be given to the different stages of development of the LDCs and the basic principles of special and differential treatment need to be taken into account in the accession process.

6. The LDCs on their part, as agreed, need to mobilize the political will to take necessary measures to create the enabling environment that could nurture and facilitate growth in all economic sectors and attract FDIs needed for development. In this regard, the LDCs need to continue the efforts in establishing clear and investment friendly policies that are not only attractive to foreign investors but more important in encouraging and promoting domestic investors. Among the important measures are reduction in bureaucratic red tapes, simplifying cumbersome procedures, removing inefficiency and the removal of a myriad of other negative practices that often serve as impediments to development of healthy economic and investment environment. In addition efforts could be made in promoting domestic resource mobilization through domestic savings, taxation and sourcing financial markets. Another important area that could help LDCs in pulling external resources and retaining domestic investment is to ensure the existence of consistent and non-discriminatory laws relating to property rights. Sound laws in this area are essential to encourage the growth of property-owning society that is crucial to facilitate private enterprises and private sector driven growth.

Madam President,

7. We have all agreed to the need that the objectives and priorities contained in the internationally agreed targets such as the BPOA and the MDGs be streamlined into national development strategies and policies. However, we must always be mindful that efforts to do so especially in LDCs are often constrained by the following factors :

The lack of policy space available to governments due to conditionalities imposed by other international bodies, which are inconsistent with these objectives. Therefore, there is a need to develop greater coherence between the objectives contained in these targets and the policies of these international bodies; and,

- ii. National governments may not have the capacity to implement these objectives and priorities owing to institutional and other constraints, and therefore greater and continuous attention need to be given to develop the necessary capacity in LDCs.

8. Finally, my delegation would like to stress that it is through genuine political will and objective implementation of the BPOA and not mere rhetoric and tokenism that the plight of the LDCs could be addressed. In this regard Malaysia would like to reiterate that the LDCs cannot make a fresh start unless the commitment, pledges and supports made at the major UN Conferences and Summits including those under the BPOA are translated into action. This coupled with the concerted efforts on the part of the LDCs themselves will ensure the proper implementation and achievement of the goals and objectives set in the BPOA.

I thank you for your attention.