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STATEMENT

by Mr. Nikolay V. CHULKOV,

**Deputy Permanent Representative of the Russian Federation to the United Nations,
at the informal thematic consultations of the UN General Assembly on the report of the Secretary-
General A/59/2005 “In larger freedom: towards development, security and human rights for all”
(Cluster I “Freedom from want”)**

April 25, 2005

Mr. Chairman,

We are grateful for the organization of consultations on the issues of socio-economic development in preparation for the High-Level Plenary Meeting of the General Assembly to assess the implementation of the Millennium Declaration. It is our understanding that the views and approaches expressed by Member States will be duly taken into account in preparing the outcome documents of the Plenary Meeting. This is a prerequisite for the successful results of our future work.

We are convinced that the only constructive and viable basis for taking decisions in September on development issues is the logic of the Millennium Declaration and the Monterrey Consensus – to recognize respective obligations in the field of development of both developed and developing countries.

The key element of the socio-economic package of the “summit” apparently is the issue of financing for development. We are convinced that any decisions related to the post-Monterrey agenda, including mobilization of ODA, various innovative mechanisms proposed to this end, debt relief, as well as other issues, should be taken by consensus. Forcing and imposing of certain initiatives is counterproductive and may negatively affect the effectiveness of the carefully crafted and balanced Monterrey process. In this connection we believe it is necessary for all the parties concerned to be constructive with a view to reaching realistic decisions, acceptable to all Member States.

We share the theses that the increase of external assistance, although undoubtedly needed, all by itself will not bring us closer to the achievement of MDGs. We believe that aid can only support vital domestic reforms aimed at enhancing the competitiveness of the national economies, diversification of their structures, improving their management, developing infrastructure and human resources, creating enabling environment for private sector development and foreign direct investments. At the same time it will not substitute for those incentives for development that industrialized countries could provide, in particular, by liberalizing their trade policies and facilitating financial flows.

Today only few doubt the necessity of utilizing innovative mechanisms to mobilize financial resources for development in order to solve the problem of the insufficient levels of ODA. At the same time, experience shows that most of the proposed schemes do not yet enjoy the necessary consensus and are not ready for adoption “in general terms” at the General Assembly meeting in September. In particular, even the most elaborated initiative – the International Finance Facility (IFF) – does not take into account budgetary regulations of a whole number of countries, is not clear on the issue of settling the debt on bonds issued within the Mechanism, in case of the default on the liabilities by any of the participants, as well as on other matters. In this connection we believe that possible decisions of the “summit” relating to the IFF or its variations as well as to other innovative sources of financing should not be of a universal, “commonly applied” nature. As we see it, such initiatives would be implemented by the countries, which consider these mechanisms acceptable for them.

It is our understanding that the new definition of the debt sustainability as the level that does not impede the achievement of the MDGs, proposed by the Secretary-General, following the recommendation of Jeffrey Sachs, does

not mean automatic and full cancellation of the poorest countries' debt, as well as further reduction of financial obligations of the middle-income countries.

We believe that the restructuring of bilateral debt should start with standard procedures within the Paris Club with approved programmes by the international financial institutions. More preferential treatment is possible only upon achievement by these countries of tangible economic results as well as accurate fulfillment of their obligations to the creditors.

In our view, the HIPC Initiative and the new strategy to ensure debt sustainability are only instruments and not a guarantee that the poorest countries will solve the debt problem. Simple debt relief without justified financial, economic and budgetary policies, structural reforms, strengthened state institutions and improved investment climate in the poorest countries, will not allow achieving desirable results. In practice, constant increases in lending, even for the noblest purposes, with a continuous cancellation of earlier debts is irrational, impede fiscal transparency, undermines international financial architecture and distorts incentives for the borrowing countries.

Mr. Chairman,

We support conclusions of the Report regarding the integration of disaster prevention elements, identified, in particular, in the outcome documents of the World Conference on Disaster Reduction, in the development strategies. In the same context we consider the Secretary-General's proposal to establish a worldwide early warning system for all natural hazards, building on existing national and regional capacity. We are ready to fully support the efforts aimed at the creation of this system.

We agree that the global disaster response system can also be improved. The key element here, as we see it, is to ensure predictable and sustainable financing of humanitarian operations. We believe it is necessary to continue working towards consensus on the improvement of the mechanisms to mobilize resources taking into account the capacity of the entire donor community: both traditional and non-traditional donors.

Mr. Chairman,

We reaffirm our support to the Secretary-General's recommendations aimed at the successful completion of the WTO Doha round of trade negotiations; mobilization of the necessary resources to fight HIV/AIDS and other dangerous infectious diseases; realization of the high-impact "Quick Wins" initiatives; increased financial support for scientific research in particular in the areas of health, agriculture, natural resource and environmental management, energy and climate.

We support the need to ensure action to mitigate global climate change, including beyond 2012. It is necessary, however, to encourage involvement of all countries of the world, first and foremost major emitters.

On the other hand, we doubt the conclusions of the Report on the issue of the global environmental governance system, in particular the idea to establish "a more integrated structure for environmental standard-setting, scientific discussion and monitoring, and treaty compliance". It is not clear what exactly is meant in this proposal.

We are far from being convinced of the practical value of the proposal by the Secretary-General to launch in 2005 "a Council of Development Advisers" that will advise both the Secretary-General and the United Nations Development Group on the best ways to support the achievement of MDGs, as well as consult ECOSOC.

We need further clarifications about the "outcome" expected from scientific advisers, who will identify the scope of their work, on what matters they will consult ECOSOC and what will be the mechanism of their interaction with the Council. Of no less importance are the issues of financing and the Secretariat support for this new structure, which will apparently require consideration in the Fifth Committee.

Mr. Chairman,

In conclusion we would like to dwell on another significant matter of key importance for the whole range of socio-economic issues. We are talking about strengthening of ECOSOC as the main body of the UN system in the field of development. This issue will be considered in detail within the framework of Cluster IV. At this point we feel it is important to underscore once again our position of principle that all of the proposed "reform measures" on the modernization of the Council should be realized within existing format of its work. We are specifically against the fragmentation of the substantive session of ECOSOC and holding its segments separately throughout the year. We are convinced that such initiatives are not sufficiently justified, have questionable "added value", look like self-imposed innovations in the spirit of "reform for the sake of the reform" and on the whole have negative impact on the functioning and political significance of ECOSOC.

Thank you.