

Unofficial translation
Check against delivery

STATEMENT

**BY H.E. MR. ANDREY I. DENISOV,
PERMANENT REPRESENTATIVE OF THE RUSSIAN FEDERATION TO THE UN,
HEAD OF THE DELEGATION OF THE RUSSIAN FEDERATION
AT THE PLENARY MEETING OF THE HIGH-LEVEL DIALOGUE
ON FINANCING FOR DEVELOPMENT**

New York, June 27, 2005

Mr. President,

The Russian Federation attaches great importance to the coordination of the international efforts in the follow-up of the outcomes of the International Conference on Financing for Development (ICFD) and related matters. The central role in this process, in our view, is played by the intergovernmental mechanism of the High-level Dialogue (HLD) on financing for development of the UN General Assembly.

We believe that HLD should henceforth contribute to a more coordinated work of the organizations and Member States in the sphere of development, monetary and trade policy in order to eliminate poverty, ensure sustained economic growth and sustainable development, and establish an equitable global economic system.

The primary objective of the Dialogue, as part of the preparatory process for the Summit 2005 is to create a framework for the consideration of a range of problems related to financing for development in the context of the review of the implementation of the Millennium Declaration, to stimulate substantive discussion of specific initiatives in this sphere aimed at solving urgent socio-economic problems and, thus, to provide a solid foundation for the decisions to be taken in September.

In line with the spirit of Monterrey, we share the need to focus our joint efforts on deliberation of effective, realistic and balanced mechanisms of financing for development. The international community has already at its disposal a number of instruments, such as entrepreneurial potential, domestic and foreign investments, trade, currency remittances of migrants, etc. We are convinced that all these means need to be closely studied and widely used.

We regard as relevant the measures proposed in the Secretary General's report to the High-level Event that are aimed at strengthening the efficiency of development assistance and its alignment with the needs of recipient countries defined in national development strategies.

Debt relief, first of all for the highly indebted poorest countries (HIPC) in the framework of relevant IMF and WB initiative is an important source of resource mobilization for the attainment of the development goals and solution of social problems.

Russia, together with its G8 partners, provides many-faceted assistance to this group of countries. In this regard, we would like to underline our general support to the initiative of Great Britain to immediately cancel the debt of 18 poorest countries for a total sum of 40 billion US dollars.

Russia is fully aware of the special needs of Africa and takes them into account in its international activities. Thus, this year Russia intends to announce the cancellation of 2,2 billion of US dollars for the poorest African states on bilateral basis within the framework of HIPC. In absolute terms, Russia is among the leaders in the cancellation of debt of the poorest countries.

However, we believe that cancellation of debts by itself, without effective financial and budgetary policy and structural reforms, strengthening of state institutes and improvement of investment climate in the poorest countries, will not allow us to achieve the expected results. Practice shows that continuous increase in volumes of crediting, even with the most generous intentions, and constant cancellation of past debts gives a wrong signal to the debtor countries.

We support the provisions of the Monterrey Consensus stating that every developing country bears the principal responsibility for its development and financing of its national development strategy mainly from its own resources.

In general, we support the appeal to examine the possibilities of using in a longer term innovative sources of financing for development in compliance with the letter and spirit of the Monterrey.

In our opinion, the use of the proposed International Financial Mechanism (IFM) and other initiatives, in particular on international taxation, as an instrument to extend development assistance on a global scale should be strictly voluntary and should be adopted only by those countries that consider such mechanisms acceptable at this stage in terms of their national legislation as well as their economic capabilities.

In the view of the Russian delegation, expansion of the world trade and its progress towards a more equitable basis will create additional opportunities for achieving the Millennium Development Goals. In this regard, we support the call for a prompt completion of the Doha Round of international trade negotiations of the WTO. If we want to look ahead we eventually need, maintaining development assistance as one of the major goals of the Round, to ensure the establishment of stable, predictable and non-discriminatory conditions for access to world markets of goods and services for all participants of international trade, including countries in transition that have not yet become members of the WTO.

It is well known that Russia is now actively engaged in negotiations on the accession to the WTO. In this context, we are ready to take obligations that reflect the level of the economic development of Russia, take into account structural specificities of Russia's economy and correspond to the level of obligations taken by other WTO members. Russia's accession to the WTO must be constructed within the standard conditions and it should not be used as an experimental platform for the ideas and concepts that are still debated within the Organization itself (for example, the so-called "Singapore issues").

Russia promotes liberalization of the international trade by lowering import duties and applying a special preference regime to the imports from many developing countries, mainly from the group of least developed countries (LDCs). With respect to goods from LDCs no quantitative restrictions on imports are applied, no antidumping, compensatory or special protective measures are introduced. Russia would welcome the establishment of comparable favorable trade regime for LDCs by other countries in response to the Millennium Summit appeal.

Thank you.