



Statement by

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to the United Nations

at the

High-Level Dialogue

On Financing for Development

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Mr. President,

At the outset, allow me to congratulate you on your stewardship of the High-Level Dialogue on Financing for Development and to thank the Secretary General for his "Follow-up report to the Implementation of the Monterrey Consensus and Doha Declaration on Finance and Development."

My delegation associates itself with the statement delivered by the Permanent Representative of Yemen on behalf of the Group of 77 and China.

Mr. President,

The 2002 International Conference on Finance for Development adopted the Monterrey Consensus and reached a broad understanding on the establishment of Global Partnership for Development.

The Monterrey Consensus has presented these development goals under six main *chapeaux*, including:

- mobilising domestic financial resources for development;
- mobilising international financial resources for development: foreign direct investments and other private flows;
- international trade as an engine for development;
- increasing international financial and technical cooperation for development;
- external debt;
- addressing systemic issues: Enhancing coherence and consistency of the International monetary, financial, and trading systems in support of development.

The Monterrey Consensus has further emphasised that achieving the Millennium Development Goals requires a new "global partnership for sustainable development" between developed and developing countries. The 2008 Doha Declaration on Financing for Development reaffirmed this partnership and, importantly, highlighted that mobilising financial resources and putting them into effective use were integral not only to the success of this partnership but, also, to the timely achievement of MDGs. The Doha Conference has also acknowledged that Financing for Development is facing new challenges such as, *inter alia*, the financial crisis and its aftermath, the food and energy crises and climate change. These are challenges that need concerted action by the developed and developing countries to be solved.

Mr. President,

With this background, my delegation wishes to put forward the following remarks:

1. It is true that developing countries have the primary responsibility for mobilising domestic financial resources for their own economic, social and environmental development goals in a sustainable mode. It is also true that sustained and equitable economic growth is a prerequisite for poverty reduction and that international investment and trade can be important sources of sustaining this development. However, the development achievements and years of hard work by the developing and least developed countries have been negated, since the outbreak of a financial crisis, which they have neither caused nor instigated. Their economies have suffered from drops in exports, capital outflows, scant fulfilment of ODA commitments by the developed countries, increasing costs of external financing, growing rates of unemployment and, thus, causing major setbacks in meeting their MDGs.

Against this backdrop, developing countries are in dire need for assistance from the international community, before their economies become further curtailed. In this connection, it therefore becomes, more true for the leaders of the G-8, and *in toto* the G-20, summits to be held in Canada in June 2010, to genuinely deliver on their international commitments and to timely allocate the 0.7% of their GNI for ODA and provide further debt relief for the HIPC Countries (Heavily Indebted Poor Countries), whilst keeping in mind that debt relief should not come at the expense of other components of ODA. In turn, the ODA is provided without stringent conditions.

2- Trade is an essential engine driving the recovery of the global economy. However, the collapse in import demand by developed countries, following the outbreak of the financial crisis, has triggered a decline of almost 13 per cent in world trade volume in 2009. These events have hit hard the manufacturing and export commodities of developing countries and caused their incomes and commodity exporters revenues to decline significantly. Also, since the outbreak of the current financial crisis, trade protectionism has been noticeably rising which, in turn, gravely impedes the global economic recovery process and damages the developing countries interests. Therefore, trade protectionism should be rejected by all countries.

3- The crisis and its aftermath have highlighted the long-standing systemic flaws and imbalances of the international financial system supervision and architecture. In particular, it has:

- demonstrated the inadequacy of the dollar-based international monetary system;
- invigorated discussions on alternative reserve currency arrangements and the creation of a more stable international monetary system;
- exposed important inconsistencies amongst national regulatory systems and their tendency to privilege their domestic interests and ignore the adverse international spillovers of their actions to the whole world.

Therefore, rebalancing the world economy and ensuring that responses to the international crisis commensurate with its respective scale, depth and urgency, require, at the outset, reforming the global economic governance issues to reflect the realities of the new century. This needs to be complemented with international financial system reform, which strengthens the representation and participation of the developing countries in the international financial institutions, with a view to restoring the legitimacy and effectiveness of the global economic governance institutions.

Mr. President,

The six main chapeaux of financing for development as stipulated by the Monterrey Consensus are an integrated whole and should be implemented in their comprehensive manner. These chapeaux include principles, policies and goals that remain relevant to date, despite the complex and grave international economic developments. What we need today is to adjust our priorities appropriately and improve our relevant policies to accommodate the new global realities.

The Monterrey Consensus provides a comprehensive paradigm to address the issue of financing for development. My delegation is hopeful that this meeting reviews past achievements, identifies the lessons learned and pools the wisdom of all participants to make international cooperation on financing for development more effective and to help other developing countries meet the MDGs, the meeting about which will convene in September this year.

Thank you, Mr. President.