Mr. President,

I am grateful to you for having organized this informal meeting of the Assembly to exchange views on the Millennium Project Report and the development agenda for the September Summit. We thank Professor Jeffrey Sachs and his collaborators once again.

2. Pakistan endorses the comprehensive statement made by the Ambassador of Jamaica on behalf of the G-77 and China. For the vast majority of UN member states, specially the G-77 and China, the primary objective of the 2005 Summit is to revive the global commitment to the development goals, which the international community has endorsed in the Millennium Declaration, the Doha Round of Trade Negotiations, the Monterrey Conference on Financing for Development and the Johannesburg Conference on Sustainable Development.

3. The Millennium Project Report focuses on the achievement of the MDGs, which are the most broadly supported, comprehensive and specific poverty reduction targets. A positive response to the recommendations of this Report will constitute an important element in providing momentum towards achievement of the internationally agreed development goals.

4. The Millennium Report presents a practical plan based on a simple underlying message of hope and promise - that eliminating hunger and poverty is achievable in our life time.

5. We agree with the core operational recommendation of the Report that each country with extreme poverty should adopt and implement a national development strategy ambitious enough to achieve MDGs, while, the development partners should give all the support needed to implement the country’s MDG-based poverty reduction strategies. I may mention that Pakistan will shortly complete its MDG-based PRSP, focused on economic growth, investment in human capital, targeted interventions, social safety nets and continued improvement in governance. One surprising finding of a recent study in Pakistan was the contribution which volunteer work by civil society is making – 3.7% of our GDP or $ 2.4 billion in Development "inputs".

6. We also endorse the entirely reasonable proposal in the Report that international support and partnership for MDG implementation should be based on good national policies and good governance on the part of the concerned developing countries. The Report has identified a dozen countries, which on the basis of various criteria, deserve a scale-up of external support. With less vigorous criteria, this list could and should be broadened. In particular, it will be perhaps even more vital - bearing in mind the development-security nexus – to address poverty reduction in countries which face challenges of governance, due to various internal or external causes.

7. Similarly, the concept of undertaking a series of practical actions – the so-called “quick wins” – is also logical and reasonable. Let us do what can be done, and absolutely needs to be done to alleviate poverty, hunger and human suffering.

8. We endorse the strategy of regional economic cooperation and integration. Pakistan’s investments in infrastructure –ports, roads, railways and pipelines - are designed to promote such regional integration linking South-Asia, Central Asia and West Asia. Regional organizations can be effective, provided these are not subjected to the political priorities and whims of the larger members.

9. In the context of promoting development partnerships, the Report has identified several problems which need to be addressed by donors, the BWIs, the UNDF and concerned
intergovernmental bodies. There are also a series of “to do’s” which should receive a positive response. All of these are mainly issues of coordination and coherence which the UN system is well-placed to address and resolve.

10. The Report addresses the three main pillars of global partnership – financing, trade and scientific development (in recommendations 7, 8, &9).

11. In the context of financing the MDGs, it is essential to note, with concern, that financial transfers from developing to developed countries have continued to increase for 7 consecutive years and stood at $312 billion in 2004. While a part of these transfers are market-related, development cannot happen with such a haemorrhage of funds from the poor to the rich.

12. A vital part of the answer lies in bold debt cancellation and restructuring. We endorse the Report’s recommendations for (a) a redefinition of “debt sustainability” as a level of debt consistent with achieving MDGs; (b) a 100% debt cancellation for HIPC countries; (c) significant cancellation for non-HIPC countries and (d) much more generous debt relief for heavily indebted middle income countries.

13. Similarly, ODA is a critical complement to financing development. We must implement the commitments made to improve the quality and increase the quantity of ODA substantially. The Millennium Report has clearly evaluated the types or amount of development assistance required for individual countries to achieve MDGs. The suggestion by the Report for the extension of grant aid instead of loans to low-income countries is worthy of full endorsement.

14. At the proposed ODA levels, there will be significant financing gap estimated at $73 billion in 2006, which would rise to $135 billion by 2015. This means that global ODA would need to roughly double from existing levels by 2006, increasing to upwards of $195 billion in 2015. We, therefore, endorse the Report’s call for a new set of intermediate ODA standards: allocating 0.44% of rich countries GNI in 2006 and 0.54% in 2015 for MDGs and meeting the old 0.7% standard no later than 2015 for MDGs and other development assistance priorities.

15. The donor countries, should of course, have the flexibility to devise mechanisms to generate additional resources to fill the gaps in meeting their ODA targets. There are several innovative measures by which they can do so. The International Finance Facility (IFF) proposed by the UK is a practical option, as recognized by the Millennium Report. The sale of IMF gold reserves is another. Some “old” ideas need to be seriously considered. One of these is the creation of SDRs linked to development. Another is the imposition of a small charge on international (and national) trade and financial transactions.

16. Private international capital flows, particularly foreign direct investment, along with international financial stability, are vital complements to national and international development efforts. As argued by the Report we must strive to devise integrated investment strategies involving both public and private sectors, particularly in the low-income countries, seeking to raise infrastructures and generate private as well as foreign direct investments, duly complemented by supportive national regulatory frameworks including national tax regimes. International and national investment guarantee schemes, tax and other incentives, revised “risk rating” arrangements etc could help to direct a greater flow of private investments to developing countries, which cannot attract such transfers through normal market mechanisms.

17. The second pillar of the partnership for development is trade. We can agree with the Millennium Report’s recommendations that the developed countries should “open their markets to developing country exports” and help the poorest countries to improve their competitiveness. The rhetoric about a Doha Development Round must be transformed into reality. The July Framework Agreement has “kick started” the WTO negotiations but, as the Report acknowledges, the real
work remains to be done. It also rightly asserts that the year 2005 offers a real opportunity to seek an endorsement at the highest level for the vision of a future multilateral trading system based on clearly defined development priorities with concrete political and financial commitments for achieving them.

18. The Millennium Report makes a series of recommendations on agriculture, non-agricultural tariffs and market access, non-tariff barriers, such as standards, services trade including Mode-IV, safeguard actions, special and differential treatment and capacity building, which deserves to be endorsed at the September Summit and to be reflected in the WTO negotiating modalities in each of these areas.

19. We also favour a set of “quick win” actions in the area of trade, some of which have also been endorsed by the Millennium Report:

   Immediate agreement on the end date for the agriculture export subsidies, including an early end to cotton subsidies;

   • A commitment to an early elimination of tariff peaks and tariff escalation against exports of developing countries.
   • A commitment not to circumvent the elimination of quotas on textiles and clothing exports of developing countries.
   • A Moratorium on the use of anti-dumping actions against low income countries.
   • An end to arbitrary and abusive use of sanitary and phytosanitary standards and similar measures to restrain exports of low income countries.
   • Full participation of developing countries in standard setting processes;
   • Acceptance of a review of the development dimension of the TRIPS agreement.

20. There are several actions, which need to be taken outside the WTO on which the September Summit should take decisions:

   First, the creation of a trade capacity building fund to enhance production, economic diversification, adjustment and competitiveness of the low income countries. This could be jointly administered by the World Bank, WTO and UNCTAD and UNDP.

   Second, the creation of a mechanism, perhaps with private sector participation for the stabilization of commodity prices. UNCTAD has already taken an initial step to this end.

   Third, the revival of one or more international compensatory financing mechanisms to redress the trade and revenue losses that may be incurred by developing countries as a result of trade liberalization, tariff preference erosion or adverse terms of trade.

21. The third pillar of a partnership for development must be access to technology and relevant research and development. We particularly welcome the proposal by the Millennium Report to launch global human resource training efforts for MDGs. Given the constraints of the TRIPS Agreement and other related constraints on the transfer of technology, we need to evolve a code of conduct to ensure that relevant development techniques, which can save lives, address hunger, promote production, are made available to the developing countries at affordable prices. Incentives can be provided also for R&D related activities that focus on the problems of the developing countries rather than, as at present, 90% on the problems of the richer countries.
22. Finally, Mr. President, it is also vital to address issues of policy and governance, not only at the national but also at the international level.

23. I have spoken of the imperative of good governance and development friendly policies at the national level. At the international level, there are several major governance issues that cry out for redress. New international realities should be reflected not only in the Security Council but also in international, financial and economic institutions.

24. One, the management of the international financial systems. It is clear that the availability of international liquidity is not equitable; nor responsive to development or human needs. Proposals, such as the revision of IMF quotas and the use of innovative financial instruments, require a more positive consideration.

25. Two, the WTO’s decision making system, its dispute settlement mechanism and the composition and structure of its Secretariat should be reviewed to reflect the Doha Development Agenda and the interests of the developing countries.

26. Three, the United Nations – the universal political arm of the global economic system – needs to be empowered not only in theory but in practice to play its role in ensuring coherence, coordination and implementation of the development goals and actions agreed by the international community. In particular, the Economic and Social Council must be empowered and enabled to perform its central coordination and policy role. Pakistan, together with a few like-minded countries will submit concrete proposals for this purpose in the near future.

27. Mr. President, as I have noted, the development agenda is the first priority for the majority of the member states of the UN. We will, of course, be responsive to the security agenda. However, before we can decide on the far reaching recommendations relating to security, my delegation – and I believe other developing countries – must have a clear idea of what is likely to be the outcome of our endeavours to advance the development agenda. We hope for a “grand bargain”; but it must be a balanced bargain.

I thank you