Mr. Facilitator,

I am grateful to you for organizing these informal thematic consultations under Cluster-I, "Freedom from Want", of the Secretary General’s Report entitled "In larger freedom: towards development, security and human rights for all."

2. Pakistan fully endorses the comprehensive statement made by the Permanent Representative of Jamaica on behalf of the G-77 and China.

3. During the informal discussion on February 10 of the Millennium Project Report, Pakistan outlined the essential elements of a global action plan to achieve the internationally agreed development goals, including the MDGs. The four elements of such a plan of action are: One, good governance and right policies; two, adequate financing for development; three, a fair and development-oriented trading system; and four, access to technology and relevant research and development.

4. The Secretary-General’s Report has drawn substantially from the Millennium Project Report. We welcome the specific endorsement of several of that Report’s recommendations regarding achievement of the MDGs such as achievement of ODA targets, comprehensive debt relief, enhancing the quantity and quality of aid, and the emphasis on addressing Africa’s development goals.

5. The statements made in this debate, so far have broadly endorsed these important recommendations of the Secretary-General’s Report. We appreciate the conscious effort being made by many development “partners,” specially the EU, to increase ODA and reach the 0.7% target, provide debt relief, evolve innovative means of financing development etc. Yet, the Secretary-General’s Report – which we have read carefully – as also the statements made here have dealt insufficiently with a number of other aspects of the internationally agreed development goals, specially the systemic inequalities and constraints on development of the international trading and financial systems and a globalized world economy.

6. Adequate financing is essential for development – thus the focus on ODA, debt etc. But, the essential point is that the agreed development goals can be achieved only if there is a substantial net inflow of resources to the developing countries. Unfortunately, for the past seven years, consecutively, there has been a net outflow of resources from the developing to the developed countries, reaching an all time high of $248 billion in 2003. Even after discounting currency market transfers, it is clear that until this financial haemorrhage is halted and reversed, the developing countries cannot hope to achieve sustainable growth and development. The efforts being made to generate development financing need to be measured against the central objective of a substantial net transfer of resources from the developed to the developing countries.

7. Viewed in this context, the ODA targets and the scope of debt relief under consideration appear quite modest and, unless supplemented by other means of financing, inadequate to achieve the MDGs and other agreed development goals. The quickest means of doing so is substantial and generous debt cancellation and relief. In this context, the Summit should endorse: (a) the redefinition of ‘debt sustainability’ as the level of debt consistent with achieving national development grants; (b) 100% debt cancellation of HIPC countries; (c) significant debt
cancellation for non-HIPC poor countries, and; (d) more debt relief for heavily indebted middle-income countries.

8. The endeavour to generate “innovative” means of financing is long overdue. The debate and decisions on these mechanisms cannot be taken exclusively in the caucuses of the rich; the developing world should be fully involved in this process. The flows generated through these new and innovative mechanisms must be additional and should complement the regular flows, including FDI. Some of the “old” ideas to generate additional financing can and should be implemented, for instance, revision of IMF quotas, sale of IMF gold reserves, creation of SDRs linked to development, improved international cooperation to enhance the coverage of tax administration with a view to restrain capital flight. Clearly, the financial resources are available in the world economy; what is required are conscious measures to ensure that this international liquidity is more equitably distributed – not the 90 to 10% ratio at present.

9. Perhaps due to the focus only on “freedom from want,” rather than on sustainable development, the Secretary-General’s Report has dwelt insufficiently on the need to generate investment flows to developing countries. The Monterrey Consensus recognized private international capital flows, especially foreign direct investment (FDI), along with international financial stability, as vital complements to national and international development efforts. FDI also serves as vehicle to transfer knowledge and technology, create jobs, boost overall productivity, enhance competitiveness and entrepreneurship, and ultimately eradicate poverty through economic growth and development. Unfortunately, FDI in developing countries is not only a small fraction of global investment flows, it is also concentrated in only a few “emerging markets.” The September Summit should endorse national and international measures to generate domestic as well as foreign direct investment in the low-income countries. These measures could include international and national investment guarantee schemes, tax and other incentives, revised “risk rating” arrangements and similar arrangements which can help to direct a greater flow of private investments to those developing countries which cannot attract such transfers through normal market mechanisms.

Mr. Facilitator,

10. A fair and equitable multilateral trading system can be the single most important external source of development financing and a vehicle for economic growth, development and employment. The Secretary-General’s Report has emphasized the importance of trade. Unfortunately, in contrast to ODA, debt etc., the recommendations of the Report on trade seem to transfer the onus for decisions back to the WTO and the Hong Kong Ministerial meeting and do not attempt to address the structural inequities of the global trading system.

11. The global trading system, as it evolved in the post-war period, was discriminatory against the developing countries. For example, for almost 50 years, the two most vital sectors for development – agriculture and textiles – were excluded from the “free-trade” discipline of GATT. There was and still is no desire to regulate the price and supply of basic commodities produced by developing countries. Moreover, in the Uruguay Round, not only trade in goods, but also services, industrial and investment policies, and intellectual property rights were “liberalized”, all areas of trade in which the developed countries enjoyed comparative advantage. The agreement concluded on Agriculture was unequal; textile liberalization was delayed for another 10 years; tariff peaks and escalation were retained against developing countries exports. The agreements concluded in the Uruguay Round were implemented unevenly. Provisions for Special and Differential Treatment were not operationalized. Anti-dumping measures remained unregulated. Neo-protectionist measures – such as the application of health, safety and environmental standards and labour and social conditionalities – were and are arbitrarily enforced and applied to restrain developing countries’ exports.
12. This is the legacy which needs to be redressed – specially in the on-going Doha Round of WTO negotiations. We welcome the repeated depiction of these negotiations as the “Doha Development Round” – although, frankly, the word development is virtually absent in the Doha Declaration. The challenge is to transform the Round into a genuine “Development” Round. The record of the negotiations, which have resumed in Geneva after the Cancun breakdown, do not inspire confidence that the “development agenda” will find adequate reflection in their outcome. Only one, broadly phrased, framework agreement, for negotiations on Agriculture, has been adopted. Its elaboration is proving difficult. Its development content is uncertain. Proposals for framework agreements in other areas – such as non-agriculture market access – also seek to impose quick liberalization on the developing countries without regard to their capacity to compete. The operationalization of S&D provisions and promises continues to be delayed and deflected. There is also resistance to correcting the anti-development implications of some of the previous agreements, such as the TRIPS Agreement. Meanwhile, the Multilateral Trading system – and the principle of MFN - continues to be eroded by regional trade arrangements and preferential systems. And, new protectionist trends are rising in some of the largest economies.

13. It is disingenuous to deflect attention away from these central trade and development issues by the rhetoric about timely conclusion of the Doha Development Round. We need to clearly identify and achieve the development objectives of this Round. The September Summit is a good opportunity to do so. It would be unworthy for the world’s leaders to “pass the buck” back to their trade Ministers in Hong Kong to realize development goals which are critical for their countries and the world economy.

14. Nor should slogans be a substitute for effective contributions to development through trade. Quota-free and duty-free access for “everything but arms” appears generous. But do those LDCs offered access have the productive and competitive capacity to export? What actual impact would such access have on the exports of the “favoured” countries? For the weakest ‘players’. - the LDCs, LLDCs, SIDS - the emphasis should be on building their productive capacities, compensating them for the erosion of trade preferences and decline in terms of trade, as well as “policy space” to pursue development-oriented agricultural and industrial policies.

15. The Summit should approve a number of “quick win” actions that could bring immediate benefits to the developing countries in the area of trade:

- An agreement on the end date for the agriculture export subsidies, including an early end to cotton subsidies;
- A commitment to the 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.

16. The Summit should also call for specific steps to introduce greater equity and efficiency in WTO decision making, dispute settlement system and its Secretariat, and to ensure the WTO’s coherence and coordination with other organizations and institutions.

17. There are several actions which need to be taken outside the WTO framework.
First, the creation of a trade capacity building fund to be jointly administered by the World Bank, WTO and UNCTAD and UNDP. Assistance for capacity building must be additional to and not at the expense of development.

Second, the creation of a mechanism, perhaps with private sector participation, for the stabilization of commodity prices.

Third, an agreement on international migration. This should be a central element of any fair trading system. If capital can move freely and markets are liberalized, surely labour, the other factor of production, must have similar freedom. Restrictive policies imposed for nationalistic or security reasons negatively affect both the exporters and importers of labour. And a new dimension in this debate is the question of outsourcing, where again, special arguments are advanced to prevent market forces from working in favour of the developing countries.

18. The Secretary-General's Report has rightly emphasized the importance of good national governance and clear national strategies to achieve the MDGs and other internationally agreed development goals. These strategies should aim at building infrastructure, skills and productive capacity. Priorities will depend on specific national conditions. One of the highest priorities for all developing countries is job creation. Government-financed work programmes can make a contribution to employment-creation; but a major emphasis is required on fostering entrepreneurship and small and medium enterprises, including in the rural sector.

19. In this context, the Summit should endorse the ILO World Commission's “decent work” and “fair globalization” agenda.

20. Clearly, national strategies in most developing countries cannot be implemented without adequate and timely international support. Good governance should be rewarded by scaled up support. But, States and societies “under stress” will also require help to prevent suffering, collapse and chaos.

21. The Summit should approve the establishment of mechanisms at the international level, preferably by an empowered ECOSOC to monitor the implementation of their respective commitments by both the developing and developed countries as well as the activities of UNDG, the UN agencies, and BWIs.

22. At the international level, concerned institutions should also adopt policies and take actions to ensure the removal of current imbalances, inequities and shortcomings in global governance that are likely to negatively impact the achievement of the agreed development goals. Particularly, the governance of the international financial and monetary system needs to be reviewed to make it more equitable and reflective of the emerging global economic “realities”.

23. 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 ascribed to it in the Charter. Pakistan, together with a few like-minded countries, will submit concrete proposals for this purpose in the near future.

24. For the developing countries, the September High-Level Event should have focussed primarily on the Development, specially implementation of the internationally agreed development goals. We continue to believe that the September Summit can be a success only if our leaders can agree on a concrete plan of specific actions to achieve these development goals. The
forthcoming South Summit in Doha, we believe, will also provide valuable inputs to the September Summit.

25. Our leaders will need to muster the political will to meet the imposing challenges we face: the systematic inequalities against the developing countries; the growing gap between the rich and the poor; rising numbers of the poor; the unfulfilled commitments of development “partners.” But political will can be generated by potential that is present to end global poverty in our life time: the availability of the required financial and technological resources; the broad agreement on the development policies and goals to be implemented by the developing and the developed countries; the visible support of common people in the developed and developing countries to the development agenda; the economic success of several developing countries in Asia, Latin America and even in Africa.