

Statement by Sardar Muhammad Sawar, Member Pakistan Delegation, in the Second Committee of the UN on the Follow up to and Implementation of the Outcome of the International Conference on Financing for Development (13 October 2004)

Mr. Chairman,

Let me begin by reiterating Pakistan delegation's great appreciation for your able stewardship of the work of the Second Committee during this Session. I assure you of my delegation's continued support and cooperation in making our deliberations productive and useful.

2. I must also compliment and thank the Secretary General for his comprehensive report on the follow up to and implementation of the Monterrey process. The important insights provided in the report would constitute as an important and substantive input for our discussions this year on the issue of financing development.

Mr. Chairman,

3. I feel greatly privileged to speak on the important subject of Financing for Development, a process with which Pakistan has been closely associated from the very start.

4. During the General Debate, last week, almost all the delegations spoke with one voice in identifying eradication of poverty as the most daunting contemporary challenge facing the international community, besides underscoring the need to generate adequate resources for fighting this menace.

5. The Monterrey Consensus is an expression of international community's resolve to mobilize financial resources for eradicating poverty, achieving sustained economic growth and promoting sustainable development. The process envisaged a global partnership for development based on a multi-pronged integrated strategy seeking mobilization of resources at national, regional and international levels as well as through trade, financial and technical assistance and debt relief.

6. Pakistan attaches great importance to the integrity of the Monterrey process and to the need to approach it in a holistic manner. We strongly feel that in order for us to remain engaged and for this process to deliver on the ideals and objectives it sought to achieve, it is imperative that an inter-governmental institutional follow-up mechanism should be put in place. The existing follow-up mechanism of Annual Spring meeting and the biennial High Level Dialogue, while being important and useful, is not adequate enough to sustain and further develop this critically important process.

7. Pakistan would also like to see the Monterrey process making a major contribution towards the 2005 High Level Event in view of its relevance to development and the realization of the Millennium Development Goals.

Mr. Chairman,

8. The Secretary General's report while underscoring the need to mobilize domestic financial resources for development, refers to the important steps being taken by many developing countries to improve their governance, regulatory frameworks and infrastructures to attract and prepare for greater resource flows for development including investments. We strongly feel that these efforts must be further encouraged and supported by the international community, particularly for the low income countries.

9. The flight of capital from developing countries in the form of wealth looted by corrupt individuals is yet another drain on their meager resources. The signing of the UN Convention against Corruption by 111 countries, as noted in the Secretary General's report reflects the growing importance that the world attaches to the issue of corruption and the negative impact that such flight of capital has on their development. Efforts by the poor countries to seek the repatriation of such looted wealth must, therefore, be fully supported and appropriate mechanisms devised for the purpose.

Mr. Chairman,

10. A rule-based, open, non-discriminatory and equitable multilateral trading system has an important role to play in stimulating economic growth, development and employment particularly in the case of developing countries, where trade continues to be the single most important source of development financing.

11. We join the Secretary General in welcoming the new WTO framework agreement and hope that the resumed Doha process would address the longstanding needs and concerns of the developing countries in an effective and expeditious manner, thus making Doha a genuine development Round.

12. Pakistan is of the view that accommodating the developing country concerns and facilitating their integration into the global economy should neither be seen as a zero sum game nor as an act of charity. In fact the developed countries have as much to gain from the process as the developing countries. A recent study estimated that 70% of the US export growth in the recent years has been due to the expanding demand in the emerging markets.

13. It was high time that the international community realized this latent potential of the developing economies in creating a global win win for all. The new emerging geography of international economic relations involving greater south-south trade and investment flows only lends further credence to this aspect.

14. We also support the suggestion made by the Secretary General in his report to discuss the various proposals on innovative financing mechanisms inter-governmentally. Pakistan has in the recent past articulated its position on various aspects of innovative sources of financing and would like to see this process move forward.

15. We have, inter-alia, emphasized the need to explore financing through innovative means in addition to the existing conventional sources of financing.

16. External debt related costs and payments are a major drain on the limited resources of the poor countries and seriously undermine their ability to meet the MDGs. We would support taking a more vigorous direction in debt write-offs, not just for the HIPC countries but also for other countries, in view of the increasing difficulties being faced by them in meeting their debt service commitments, a fact acknowledged by the Secretary General in his report.

17. Similarly, in the context of debt swaps for social and environmental development actions, our developed country partners must not give up on the goal of the 0.7% target. We particularly welcome the commitment of the United Kingdom and France to double ODA.

18. On our part, let me reaffirm, **Mr. Chairman**, our commitment to making the Financing for Development a great success. We are building, at home and promoting globally true democracy, good governance and effective rule of law. We are seeking peace and tolerance within and outside Pakistan. In the past few years we have made rapid strides in revamping our economy,

weeding out corruption and consolidating the state institutions. We are and shall remain committed partners of international community in pursuing peace and development.

I thank you