

Mr. President,

Secretary General,

Excellencies,

Ladies and Gentlemen:

It is a pleasure for me, representing ECOSOC, to participate in the Second High level Dialogue on Financing for Development. The Dialogue is taking place at an important juncture in world history for the world economy.

2. The Monterrey Consensus outlined the comprehensive national and international policy actions required to achieve the internationally agreed goals. It recognized that enhanced financial flows are critical to the realization of the internationally agreed development goals. And, it acknowledged dramatic shortfalls in the required resources.

3. At Monterrey, the world's leaders agreed to address the challenges faced in generating the required financing for development. Unfortunately, like other such global agreements, Monterrey also suffers from a serious implementation deficit.

4. The Monterrey Consensus assigned ECOSOC important responsibilities for follow up on the implementation of commitments. The Council is to promote greater coherence, coordination and cooperation between the UN and the other international financial and trade institutions in the implementation of the agreed development goals. The ECOSOC's Special high level meeting is designed to perform this function.

5. The ECOSOC Special High Level meeting with the BWIs, WTO and UNCTAD held on April 18, 2005 focused on three sub-themes: i) policies and strategies; ii) trade, investment and private flows; and iii) official development assistance, innovative sources of financing and debt.

6. The ECOSOC's discussions – held in a Special Plenary and six Roundtables – benefited from the IMFC and Development Committee meetings and the Secretary General's report 'In larger Freedom'.

7. In terms of policies and strategies, it was recognized that a nationally formulated and owned development strategy, adequate policy space, greater overall coherence and coordination, including donor-recipient coordination, employment creation, greater support for private sector led growth are critical elements in attaining the agreed development goals.

8. Good governance, particularly enhancing transparency and combating corruption, was recognized as central to the effective implementation of national strategies. At the international level, the need to strengthen the voice and participation of developing countries in international financial institutions was viewed as an important factor for good global governance.

9. There was universal recognition of the key and substantial contribution that trade can make in securing enhanced resource flows for development. Consequently, unanimity existed in calling for an early, successful and genuinely development-oriented outcome of the Doha Round of multilateral trade negotiations.

10. On investment and private capital flows, several participants underscored the need for generating favorable business conditions for both domestic and foreign investors, including a stable macroeconomic environment, an effective regulatory framework, transparency, and an enabling infrastructure.

11. Concern was expressed about the stability of international private capital flows. It was noted that besides sound national macroeconomic policies, other initiatives were needed to mitigate the effect of the volatility of capital flows. These could include the use of innovative financial instruments, as well as improved multilateral official liquidity and adoption of effective prudential regulations. There was also general agreement on the need to reduce the cost of transmission of worker remittances.

12. With regard to ODA, the discussions recalled the 0.7% ODA target, confirmed in Monterrey, and emphasized the need for a rapid increase in aid flows to reach the amount necessary to meet the internationally agreed development goals. It was also noted that aid effectiveness should be improved through greater coordination and harmonization.

13. The ECOSOC discussion generally supported recent initiatives on innovative sources of financing. These sources should be additional to the existing ODA commitments and targets. On the implementation of innovative financing, there was a general preference for an incremental approach.

14. The discussions noted the urgency of solving the huge debt burdens of the HIPC countries, consideration of the situation of debt-distressed non-HIPC low-income countries, and the need for a comprehensive framework for solving debt problems of middle-income countries. Views on defining debt sustainability, however, remained divergent.

15. I am confident that the ECOSOC's deliberations will contribute significantly to your deliberations and to the outcome of the September High-Level Event.

Mr. President,

16. The draft Outcome Document, and the Secretary General's report 'In larger Freedom', have presented several proposals to strengthen ECOSOC. On 10 June 2005, I also forwarded to you, in my capacity as the President of the ECOSOC, a non-paper outlining several steps to strengthen the role and contribution of the Economic and Social Council to development. This paper was developed on the basis of informal consultations and with the collaboration of several delegations, including Belgium, Germany, Sweden and the 15 member "Group of Friends of UN Reform". The informal consultations held by ECOSOC on 5 May also contributed to the evolution of this paper. It is my view that the measures set out in this paper will enable ECOSOC to: **one**, promote global dialogue on social and economic policy trends; **two**, serve as a development cooperation forum; **three**, enhance the linkage between peace and development; and **four**, strengthen the operational coordination within the UN system. I trust this paper will receive full consideration in this meeting and in the Outcome Document for September.

I thank you.