



ST. VINCENT AND THE GRENADINES

Permanent Mission of St. Vincent and the Grenadines to the United Nations

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Statement

By

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High-level Dialogue on Financing for Development

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Mr. President, Excellencies, Ladies and Gentlemen:

Five and a half years ago, world leaders gathered in Monterrey and emphatically stated that “[o]ur goal is to eradicate poverty, achieve sustained economic growth, and promote sustainable development as we advance to a fully inclusive and equitable global economic system.” Today, the question you have put before us, Mr. President, is whether we have lived up to these noble sentiments.

In an environment of uneven progress towards the Millennium Development Goals; of reduced Official Development Assistance (ODA) and of entrenched global inequality, we must concede that, in spite of some welcome bright spots, our collective post-Monterrey progress has been inauspicious.

Mr. President, the operative word in the phrase “financing for development” is development. The Monterrey Consensus cannot be viewed through the prism of balance sheet sleight of hand, where items are rotated from one budgetary column to another in a grand international shell game. We must focus on our commitment to improving the lot of the billions of people worldwide living in crushing and unimaginable poverty.

Such a people-centered perspective recognizes that there can be no one-size-fits-all approach to development. We must abandon the monolithic, inflexible, process-driven approaches to financing that have doomed so many initiatives. The efficient and flexible disbursement of financing will be more beneficial than simply increasing the amounts of financing available under existing modalities. In St. Vincent and the Grenadines, for example, farmers seeking generously donated financing for agricultural diversification have found themselves hopelessly mired in externally-imposed red tape and requirements that are impractical in the domestic context. The farmers, who are on the front line of the fallout from globalization and iniquitous agricultural subsidies, find themselves lost in the world of bureaucrats, and no closer to the promised and much-needed developmental assistance.

Small countries like ours will benefit if donor countries streamline their financing apparatus in such a way as to recognise our gains in democracy, anti-corruption and good governance and therefore trust us to give relatively small amounts of money to a variety of small projects without impractical bureaucratic encumbrances.

Mr. President, most middle-income countries and Small Island Developing States (SIDS), such as ours, were not given a fresh developmental start at Monterrey. We were left, as always, to uncomfortably serve two exacting masters: foreign creditors for whom debt servicing and belt tightening are paramount; and our domestic populations, for whom expanded social and infrastructural investments are urgently required.

Small, middle-income countries are being excluded from comprehensive debt relief in a manner that calls into question the sincerity of the commitments made at Monterrey. Indeed, for all but the most heavily indebted countries, there is a vexing conundrum: indebted countries, whose very indebtedness compromises their governance and stability, are told to clean up their domestic act as a precondition for debt relief. Middle-income countries, on the other hand, by and large stable and well governed, are told that their marginal competence at avoiding economic disaster precludes them from debt relief. As such, middle-income countries, home to 41% of the world’s poor, are condemned, like Sisyphus, to push the debt boulder endlessly uphill.

If broad debt cancellation is unpalatable in the abstract, surely it is not beyond the ingenuity of this body to fashion ways in which a debtor nation can satisfy its obligations to creditors by reallocating its debt servicing dollars domestically, upon mutually agreed development projects.

Mr. President, St. Vincent and the Grenadines again bemoans the imposition of trade distorting barriers and subsidies, which short-sightedly serve the gods of domestic political expediency. These policies are investments in instability, unrest and underdevelopment, and, as we have seen, solving the global repercussions and manifestations of these policies requires much more than 0.7 percent of GNP.

In that context, St. Vincent and the Grenadines echoes Horst Köhler, Managing Director of the IMF, who stated to ECOSOC in 2003 that “[a]dvanced economies must live up to their pledges, and the long-standing target of 0.7 percent of GDP remains for me a concrete test of their credibility.” The Monterrey Consensus must be viewed holistically, and the continued failure of some nations to make tangible progress towards this modest goal belies their commitment to the process. St. Vincent and the Grenadines notes that the concept of ODA totaling 0.7% of GNP was first mooted in 1969. This was before the challenges of climate change, the digital divide, or the special developmental issues of the post-Cold War and 9/11 world. By right, the question we should be asking ourselves today is whether 0.7% is enough, not whether it is achievable. It is past time that this moral benchmark is given juridical effect and automaticity of process.

Mr. President, development in St. Vincent and the Grenadines is heavily dependent on ODA, foreign investment, and technical cooperation; and we are deeply grateful for the bilateral assistance we continue to receive from countries in North America, Europe, Latin America, the Caribbean and Asia. We also recognize the indispensable role of South-South cooperation in achieving the lofty goals of the Monterrey Consensus. As such, St. Vincent and the Grenadines is grateful for the initiatives of Cuba and the Bolivarian Republic of Venezuela – despite their criticisms of the Monterrey process – and of the Republic of China (Taiwan) – despite its continued unjust exclusion from the community of nations. They have proven themselves to be willing and innovative partners in development and, in this regard, exemplary global citizens.

Mr. President, one of the greatest artists of our Caribbean Civilisation, the late Bob Marley, once observed that “a hungry mob is an angry mob.” The Monterrey Consensus embraces the same principle, recognizing “that peace and development are mutually reinforcing.” Recognition of this interdependence between development and peace means that enhanced development requires an enhancement of the international system of peace and security. Accordingly, we view the expansion and democratization of the Security Council as an integral component of further credible global development.

Mr. President, in closing, we recall the words of our Prime Minister, Dr. Hon. Ralph Gonsalves at Monterrey in 2002, when he prayed that the conference would not devolve into “a dragon’s dance upon a decorous platform of the finest diplomatic language which few are determined to embrace for action.” Put another way, talk is cheap; and the road to hellish underdevelopment is paved with good intentions. Five years after Monterrey, all countries – developed and developing alike – must deliver on our well-meaning words.

I thank you.