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for development**

Swiss Statement

presented by
H.E. Mr. Paul Seger
Permanent Representative

Permanent Mission of Switzerland
to the United Nations

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Mr. President,

Switzerland reiterates its support for the Monterrey Consensus and the Doha Declaration on financing for Development.

With traditional financing mechanisms under increasing pressure in the financial crisis, new thinking and proposals for innovative measures to improve access to finance for developing countries should be explored. At the same time, our commitment to poverty eradication, the reduction of inequalities, and the provision of solutions to global challenges should not be undermined. Despite the crisis, donors should strive to maintain their Official Development Aid (ODA) commitments and budgets with all partners sharing the burden of this collective effort.

The financial crisis has also shown the necessity for better regulation and supervision of the financial system. **Global economic governance** requires open and transparent coordination between the agendas of the G-20, the international financial institutions and the work of the United Nations. The UN funds and specialized agencies, in accordance with their mandates and comparative advantages, have an important role to play in contributing to this process. Switzerland will continue promoting actions for a strong, well-coordinated, coherent, and efficient UN system for this purpose.

Mr. President, let me underline some issues which Switzerland believes are at the heart of the discussion today:

First, while **financial flows** are relevant to development processes, the particular role and significance of each flow differs considerably from country to country. Foreign direct investment (FDI) and trade may be the crucial flows in some countries, for example, while ODA and debt relief may be more important in others. Improved coherence and effectiveness require not only global principles and actions, but also specific country-level development strategies; there is no “one size fits all” solution.

Second, greater **domestic resource mobilization** must be achieved. Each country has primary responsibility for its own economic and social development. The capacity of developing countries to manage their environment and natural resources in a sustainable manner, in order to raise sufficient revenue to ensure provision of basic public services and to reduce dependence on external aid is crucial. Attention should be paid to the links between domestic and other financial flows through the promotion of an enabling international economic environment. Switzerland will continue to support developing countries in their efforts to create effective tax systems.

Switzerland also recognizes that **illicit asset flows** remain a major impediment to development. Constant efforts to address this challenge are required, notably by effectively freezing and accelerating the return of stolen assets to countries of origin. Switzerland wishes to underline its leading role and its commitment to ensuring further progress together with its partners.

The third point concerns **ODA** and its critical status as a source of financing for development. ODA should assume a complementary role, enabling, leveraging and/or

supplementing the other flows and mechanisms. While the *quantity* of ODA is very important, its *quality* – which means its effectiveness with regard to locally determined development priorities and strategies – is also crucial. The Aid Effectiveness principles are still relevant as confirmed in Busan; their implementation remains a significant challenge. Country ownership principles should be reaffirmed, the use of country systems should be promoted, and participation of stakeholders reinforced.

In addition, in the coming months the preparatory work for the UN Conference on Sustainable Development (Rio+20) also provides a unique opportunity to move forward on the financing agenda. It will be important to engage constructively on critical issues, such as creating a stronger link between global environmental policy making and financing, the issue of additionality, and the role of the private sector.

Finally, we would also like to underline the need for renewed progress on the agenda of **inclusive growth** and the strenuous efforts that should be made nationally, regionally and internationally to respond to this increasing challenge. Growth must be inclusive, sustainable and balanced. We call for close collaboration between the UN system and International Financial Institutions on this important agenda. Special attention should be paid here to youth employment and gender aspects.

Overall, Switzerland would like to reaffirm the importance of ensuring an **effective follow-up** to the implementation of the Monterrey Consensus and of the Doha Declaration, particularly in the preparation of the post-MDG discussion.

Thank you for your attention.