



The G-20 Statement on Global Development Issues

1. We, the Finance Ministers and Central Bank Governors of the G-20, have agreed that as a major forum for policy dialogues between developed and emerging countries, the G-20 should play an active role in addressing critical development issues. We build on the UN Millennium Review Summit, which assessed the progress on achieving the Millennium Development Goals (MDGs) and other Millennium Summit Objectives, and expect the forthcoming World Trade Organization (WTO) Ministerial meeting in Hong Kong, China, to push forward the agenda of the Doha Development Round to further promote equitable trade liberalization and integration.

2. It is encouraging that many countries have achieved significant progress, and a large number of developing countries are on track to meet the MDGs. However in some regions, especially in many Sub-Sahara African countries, progress on most goals is lagging seriously behind. Faced with significant challenges we reiterate our firm commitment to achieving the MDGs through intensified cooperation aimed at overcoming severe challenges.

Development approaches

3. We recognize that each country has primary responsibility for its own economic and social development, and for this reason it is important to respect the development of country-owned strategies. Sound economic policies, good governance, and accountability are essential to sustained economic growth. With regard to the diversity of growth models and development approaches, we are committed to strengthening the dialogue on varying development philosophies, strategies, and policies, from which all countries can benefit.

Mobilizing resources for development

4. We call upon the international community to fulfill its commitments under Monterrey: for developing countries to establish sound economic and social policies to attract private capital flows and for developed countries to support these actions through an open trading system and increasing development assistance. We welcome the increased resources that will become available as a result of the recent establishment of timetables by many donors to achieve the target of 0.7% of GNP for Official Development Assistance (ODA). We welcome donors' recent commitments to significantly increase development assistance and the debt relief initiative that was launched at the G-8 Summit at Gleneagles and endorsed by the World Bank and IMF shareholders during the Annual Meetings. We urge the Boards of the two institutions to finalize the implementation of these proposals. Ongoing initiatives on innovative mechanisms for development financing - such as the International Finance Facility (IFF) and its pilot-the IFF for Immunization, a contribution on air travel tickets, the Millennium Challenge Account, and other financing measures - pursued on voluntary basis, will generate additional resources. We encourage interested donors to explore the benefits and

feasibility of these innovative proposals.

Enhancing aid effectiveness

5. We re-emphasize the importance of aid effectiveness. Action is needed to ensure larger international aid volumes are accompanied by more effective usage. The 2 March 2005 Paris Declaration on Aid Effectiveness marked a new step for aligning donor assistance with recipients' own development strategies, harmonizing donor assistance, and measuring the results of development assistance.

Promoting trade for development

6. It is well documented that trade liberalization and integration are key drivers of economic growth and the reduction of poverty. We are committed to significantly increasing market access for goods and services, reducing trade-distorting domestic support, eliminating all forms of export subsidies in agriculture, and providing effective special and differential treatment for developing countries. Enhanced technical assistance and trade capacity building to remove obstacles to improved export competitiveness, as well as assistance to ease adjustment, is also critical, especially for the least-developed countries. We acknowledge the paramount role of South-South trade in this respect, and will further explore means to grant the least developed countries duty-free and quota-free market access. We are committed to working together in this area to substantially improve market access for products from developing countries, especially the least developed ones. We are also committed to helping developing countries build a sound trade and investment environment. All parties should make concerted efforts to achieve progress in the Doha Development Round, which has the potential to deliver tangible benefits to both developed and developing countries.

Global partnership towards reducing poverty and promoting global development

7. We are committed to this shared vision for global development. We will continue to pragmatically develop the global partnership among developed and developing countries. We will also promote greater cooperation among members of the international community, including public-private partnerships, in order to meet the common development challenges of sustainable and inclusive growth and poverty alleviation. We are determined to carry the momentum forward.