

**Speech by Mr Nicolas Sarkozy,  
Minister of State, Minister for Economic Affairs, Finance and Industry**

**Ministerial Forum on Financing for Development – Paris – 8 April 2004**

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Ladies and Gentlemen,

Dear colleagues and friends,

I am delighted to welcome you to Paris this morning, to the Ministry for Economic Affairs, Finance and Industry, along with my colleague and friend, Gordon Brown.

This conference is not just another meeting devoted to development aid. Many international meetings have been and will be organised on this subject, at the UN, the World Bank and the OECD, for example. Much has been said about the need to assist the development of the world's poorest.

And yet the question remains the same.

What must we do to avoid finding ourselves in 10 years' time at the same stage as today: with broken promises on one side and an even greater feeling of failure and abandonment – a breeding ground for all forms of extremism and threats, on the other?

The truth, as we know, is that Official Development Assistance has not succeeded in giving the poorest countries any meaningful role in the “globalised” world. What is more, despite efforts made, despite aid received, many countries are poorer today than they were 20 years ago, even more marginalised in terms of the distribution of wealth and prospects.

Before setting out the objectives of this conference, I would ask you to listen to a message from the President of the French Republic.

*(Video message from the President of the French Republic)*

As President Chirac has just pointed out, France and Great Britain share a clear sense of political responsibility in relation to world poverty. Moreover, our citizens are increasingly aware of this responsibility.

There are not two separate worlds – one rich, the other poor – able to live alongside each other and ignore each other indefinitely. There is only one world, wherein all risks are shared. Poverty is an intolerable human injustice. It also keeps entire societies in a constant state of decline. And no border can, long-term, protect the “developed” world from the burden of that poverty.

This shared view of our two governments, Gordon my friend, requires us to venture off the beaten track, which is as it should be: that is why we have thought practically and objectively about potential new steps for mobilising funding.

To set the scene for our discussions, let me state a fact: the challenge of funding is on a completely different scale than in the past, taking into account the objectives we set ourselves at Monterrey two years ago. In reality, the goal we must pursue is to double development aid.

But we know that it will be difficult to take on this commitment using our State budgets, on which there are many other claims. We have to find another way. And we have to find it soon, in order to keep our promises and meet our goals.

We must therefore move from intention to action, and to do this we have to explore innovative approaches: the Finance Facility but also international taxation.

I know the extent of your contribution to the very pragmatic measure that is the “International Finance Facility”. I want to say that I fully endorse this pragmatism: it alone can enable us to make progress in a field as difficult as development. An effective initiative is worth more than all the talking, all the grand speeches, which are so far removed from the real problems of peoples in distress!

I want to say to you again now, as was clearly expressed by President Chirac, that you can count on France to support the implementation of this International Finance Facility.

Looking beyond technicalities, this idea, for which we have you to thank, has great clarity: it enables us to use our political will as a lever by increasing, thanks to the financial markets, the resources mobilised in exchange for our States' commitment to support the "Finance Facility".

The bonds issued on the markets by the "Facility" would benefit from a first-rate guarantee in the form of the solemn commitment of our States. This resource would have **three advantages**: it would be plentiful, inexpensive for the borrower and – most importantly – could be implemented very quickly in beneficiary countries.

This ingenious project is designed to meet a challenge: to make a dent in under-development by deploying, **over a short period**, a critical mass of aid sufficient to respond to the basic needs defined during the Millennium Summit.

I think we absolutely have to take up that challenge if we want to move beyond good intentions.

Furthermore, we must consider in more detail the "international taxation" President Chirac mentioned. This idea has, for a long time, provoked endless debates in the world community. Today, we have to move on to **specific proposals** which experts are working on, at the invitation of France. We must organise ourselves quickly to be in a position to present what we consider to be fair and acceptable proposals to the political decision-makers.

For these initiatives to be effective, they cannot remain solely Franco-British: they obviously have to be shared by other donors; I therefore welcome the representatives of numerous OECD countries and multilateral institutions;

Naturally, our initiatives must also be supported by the beneficiary countries: they, after all, are principally affected. In particular, it is their responsibility to create the

conditions for efficient use of the aid that we are working to put together. Their presence today gives real meaning to our work.

Time is of the essence. Therefore, as well as the ministerial conference itself meeting today at Bercy, we wanted the experts to be able to examine in detail all the technical issues during panel discussions. They will present the result of their work and their proposals during the closing session, starting at 5 p.m.

Before I hand over to Gordon Brown, I would like, once again, to stress one thing: this conference is not just another academic exercise. We must shortly agree on a diagnosis and proposals, but also on a timetable for implementation. I personally have a suggestion: why not plan to test out our financial “innovations” in an area we all agree on, such as a world vaccination programme for the poorest, to start this year? I believe we must “get the ball rolling” and begin with a specific project that mobilises all of us.

I have no doubt that today marks an important stage in expressing political consensus and validating a “new approach” to development.

You can count on the full support of France, working with Great Britain, working with you all, to implement the commitments made at the Millennium Summit in 2000.

I shall now hand over to Gordon Brown.