



SPEECH BY MR JACQUES CHIRAC

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*SPEECH BY MR JACQUES CHIRAC
PRESIDENT OF THE FRENCH REPUBLIC*

*TO THE ROUNDTABLE ON
FINANCING FOR DEVELOPMENT
IN POOR COUNTRIES*

*DURING THE
WORLD SUMMIT ON SUSTAINABLE DEVELOPMENT*

JOHANNESBURG - SOUTH AFRICA

MONDAY 2 SEPTEMBER 2002

Mr Chairman,

Ladies and Gentlemen,

Thank you for giving me this opportunity to speak about this issue, which is close to my heart, and led me to take part in the Brussels Conference on the Least Developed Countries and the Monterrey Conference on Financing for Development. The question is : how can we create virtuous sustainable development cycles in poor countries?

There can be no development without wealth creation. Wealth cannot be created without education, or without investment. The economic history of developed countries shows that their take-off started when they raised an initial capital stake and then made it fructify.

Developing countries are in a difficult situation in this regard, especially countries without major endowments of natural resources or a longstanding tradition of industry and trade. These countries need assistance more than others. Yet, official development assistance has been cut in half in the last ten years. And, after a large increase in private investment, which went to only a handful of emerging countries, private capital flows to the south have dried up in recent years.

Many countries, particularly in Asia, managed to catch up with the industrialised countries, but the crisis in Latin America shows us how fragile the advances made can be.

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PRESIDENCE DE LA REPUBLIQUE

Of course, each country is primarily responsible for shaping its own future. But economic globalisation calls for globalisation of solidarity: there is no other choice in economic, political or moral terms. The international community has become aware of the dual requirements of national responsibility and international solidarity.

The decisions we made at Doha marked a turning point. The developed countries committed themselves to facilitating market access for products from developing countries. The European Union, which has already started implementing the "Everything but Arms" initiative, will resolutely live up to its commitment.

More assistance and more effective assistance is also needed to finance the basic infrastructures, without which greater openness to trade would be pointless. This is the purpose of the Monterrey Partnership and the G8 Action Plan to support NEPAD. On one side, countries commit themselves to good governance, respect for the environment and the market economy. On the other side, the rich countries undertake to provide them with the resources that are critical for their action.

France has decided, as part of a coordinated European effort, to increase its official development assistance by half in the next five years, bringing it up to 0.5% of GDP. The aim is to attain the target of 0.7% in ten years. France is also concerned with improving the quality of its assistance.

I would like to tell you about three directions that France's action will take in keeping with this spirit in the coming months.

First of all, during the French presidency of the G8 in 2003, we will make proposals to reduce the debt of poor countries that are not eligible for the debt forgiveness mechanism currently in operation and that of heavily-indebted middle-income countries applying sound policies. This debt reduction will be aimed at helping to finance investment in critical areas for sustainable development, such as education, health, water and energy.

Secondly, we have decided with the British Prime Minister on the joint launch of a new financial initiative today. It will stimulate the raising of private capital for long-term investment in poor countries. Once gain, the priority sectors will be energy and water. The United Kingdom and France will work out the exact procedures for this initiative together and then propose it to their European and G8 partners.

Finally, as I said in Monterrey, France would like concrete discussions to get under way on possible ways of introducing a solidarity levy on the resources created by globalisation, in order to finance development and to control the upheavals that come with globalisation.

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PRESIDENCE DE LA REPUBLIQUE

I would like to conclude by underlining the special importance of the energy and water sectors.

There can be no development without energy, but energy is one of the main causes of pollution and depletion of natural resources. At the same time, the investment needed for energy supplies is among the most costly and it requires the longest time horizons.

That is why France, along with the European Union, stress projects involving clean and renewable energy supplies.

Today, nearly half the people on earth have no access to safe drinking water and sanitation. They suffer from diseases that can be fatal and that hamper development. The situation may get worse. There has been a severe decrease in the available per capita fresh water resources around the world and, if the current trend continues, two thirds of the earth's population will suffer from water shortages in the next few years.

Access to safe drinking water and sanitation is a key development issue. It is an ecological issue, since water resources are rare. It is a solidarity issue about giving access to the poorest people and to disadvantaged areas. It is a public health issue. It is a social issue, since women and girls are the first to suffer from deficient infrastructures. It is an educational issue, since the time that they spend fetching water is time they cannot devote to their studies.

France has developed some original methods for managing water. Management is organised by catchment area, which ensures respect for resources and makes it possible to take a comprehensive approach. Management is participatory, placing public authorities, businesses and users on an equal footing. Management is delegated, which reconciles the efficiency of business with the universality and transparency requirements needed for the management of a public good.

The initiatives that we have put forward jointly with the European Union are an exemplary illustration of sustainable development principles.

Mr Chairman,

This roundtable brings together countries from the North and South, businesses and international institutions in a way that is fairly unusual for international conferences. I look forward to further progress on an approach to development that combines pragmatism and solidarity. I would like to thank you for taking the initiative and for giving me an opportunity to speak here.

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