

**REPUBLIC OF SENEGAL**

**MINISTRY OF FOREIGN AFFAIRS**

**INTERNATIONAL ORGANISATIONS DEPARTMENT**

# **ADDRESS**

**OF DR CHEIKH T. GADIO,  
STATE MINISTER OF FOREIGN AFFAIRS,  
TO THE 3<sup>RD</sup> SESSION OF THE LEADING GROUP ON  
SOLIDARITY LEVIES TO FUND DEVELOPMENT**

**SEOUL, 3 SEPTEMBER 2007**

**Mr President,**

First of all, I would like to express our profound gratitude for the warm, brotherly welcome that you have given us since we arrived in your country.

I have no doubt that Seoul, this beautiful city, testament to the miracles of which the human spirit is capable when fuelled by determination and boundless effort, will be a source of inspiration for the success of our discussions.

**Mr President,**

We have come together here, in Korea, to discuss an issue that is becoming more topical and timely with each passing day, given the numerous difficulties that developing countries face, especially in Africa, as a result of the lack of resources for funding development. The reality serves as a clear reminder that the resources generated through official development assistance (ODA), debt cancellations and debt reductions have been insufficient to curb this problem, which has disastrous effects for human dignity, perpetuating the poverty suffered by millions of people in developing countries. Moreover, it is now certain that, at the current rate, many countries will not achieve the MDGs by 2015.

With the adoption of the **Geneva Declaration on Innovative Sources of Financing for Development** on 30 January 2004, the precursor countries of this group understood that our shared hope of economic and social development for all would not be realised with

the existing resources alone, and that a more innovative approach was needed.

This proactive resolve was given concrete form at the Paris Conference of March 2006, with the creation of the **Leading Group on Solidarity Levies to Fund Development**. The results achieved up to this third session of the leading group have been important. The International Drug Purchase Facility, launched in Brasilia in July 2006, and the presentation in Oslo last February of several new initiatives, are evidence of this.

The **migrant remittances** mechanism, for example, plays a crucial role in improving living conditions in developing countries, particularly among rural populations. Financial transfers from migrants through official channels have increased significantly and now exceed official development assistance in volume. In fact, in the case of Senegal, from 2003 to 2006 remittances shot up from 260 billion to 442 billion Senegalese francs, equivalent to an increase from US\$ 520 million to more than US\$ 880 million; these amounts represent a rise from 15% to 65% of the migrants' income and from 30% to 80% of the budget of the families that remained in Senegal, depending on the region.

The results of studies also indicate that migrant remittances prompt both private investment (buildings, farming, trade, irrigation) and community investment (schools, health facilities, electrification), thus contributing to expanding access to basic social services, combating hunger and poverty in the country and stimulating the development of rural areas.

**Mr President,**

Allow me to come back to one of these major new initiatives identified by our group: **the Global Digital Solidarity Fund**. It was created in 2004 and has its headquarters in Geneva. Its Swiss President, Guy-Olivier SEGOND, has made the journey to Seoul and honours us with his presence in this room today.

The Fund is the most important African initiative of modern times and seeks the commitment of all African countries, especially since Africa will be one of the main beneficiaries. That is why all African countries must immediately rally behind the Fund, paying the one-off voluntary contribution and continuing to support it unflinchingly.

After some early reservations among developed countries, with the exception of France, the Fund is now accepted by nearly all Member States of the United Nations, although some have not yet translated this acceptance into formal adherence and the voluntary payment of the one-off joining fee.

The Fund is fed by the voluntary payments of its members upon joining. These members may be States and their subdivisions, Local and Regional Authorities or private companies. In a single country, there may be several Fund members, including the State and its subdivisions, Local Authorities, Regional Councils and private companies. However, the bulk of the Fund's resources for taking on huge tasks such as supplying Africa with digital equipment is expected to be generated by goodwill initiatives organised by its members, by institutions and anyone else who wishes to get behind the cause.

To finance the Fund, at the outset, its founders dismissed the idea of enforcing taxes which would make the contribution compulsory, instead adopting the principle of voluntary contributions. To raise more substantial resources, the President of Senegal, Mr Abdoulaye WADE, in agreement with the Fund's management, proposed **the idea of a voluntary 1% solidarity contribution on all sales of digital equipment to public authorities**. The contribution is known as the ***“Geneva 1% principle”***.

Consequently, President WADE and the Fund's management have invited all members and, more generally, all States and any interested parties from the public or private sectors that want to contribute to the elimination of the digital divide between North and South and the rapid development of Africa, to adopt this principle.

It is in the interest of the private sector to implement this kind of mechanism, from which it will benefit. Indeed, the Fund will use the money paid by private companies to buy computer equipment for disadvantages countries, from those same companies. Therefore, voluntary contributions from ICT-related companies will eventually serve to create solvent demand and expand their sector.

The government of Senegal, a founding member of the Fund, has decided, **with a parliamentary bill**, to establish a framework for voluntary contributions and their collection, in line with the Geneva principle.

To effectively apply the voluntary contribution, the government has decided to introduce, in all contracts for the supply of IT equipment (whether negotiated privately or the outcome of a tendering process),

a clause for the voluntary adoption, by the supplier, of the **Geneva 1% principle**.

By accepting this clause, the seller of the IT equipment agrees to keep 99% of the value of the contract and pay 1% to the Global Digital Solidarity Fund, which will confirm receipt of this contribution.

It is for these reasons that Senegal calls on all private and public actors that want to promote a more egalitarian society to encourage the adoption and spread of the 1% solidarity contribution.

The Leading Group has already acknowledged the 1% contribution as one of the “projects that is bearing fruit”, and we hope that we will be able to take it further by securing adoption of the 1% Geneva principle by all members of the leading group – and beyond.

**Mr President,**

The Korean presidency which is drawing to an end will, without a doubt, have been remarkable in that it has enabled us to consolidate and deepen our experience, while the important issues on the conference agenda have certainly given our group plenty of food for thought and new ideas with regard to financial transactions and migrant remittances, among other topics.

After Seoul, we will need to continue the work that has been begun with the same vigour.

This is an opportunity for me to confirm, on behalf of Abdoulaye WADE, President of the Republic, that Senegal has applied to take

over the presidency of the Leading Group for the period from October 2007 to March 2008. Our country hopes that its unequivocal commitment to the promotion of new sources of financing for development will serve our Leading Group well. And I assure you that, if we are elected, we will spare no effort to ensure that the Senegalese presidency is of the same calibre as the Brazilian, Norwegian and Korean presidencies. It is in this spirit that we promise to work tirelessly to ensure greater participation of State actors in the developed and developing worlds, and non-State actors, from the private sector and civil society, in the initiatives of the group.

**Thank you for your kind attention.**