

whole international community should be mobilized in this effort, and new donors should assume growing responsibility, so that the burden is more equally shared;

- the multilateral development institutions, cooperating among each other and with bilateral donors, play an important role in promoting development and encouraging the developing countries to reduce poverty, to implement sound economic policies and to improve capacity. They must be provided with sufficient and appropriate financial resources for this purpose. Their strength depends on the active participation of all members. Efforts by the multilateral institutions to discourage unproductive expenditures in developing countries should be pursued and supported by donor countries in their own bilateral aid and credits.

37. Within the framework of this new partnership, the priority must be to implement more effectively-targeted policies, with four complementary objectives:

- external financial support should take into full account the differentiation between countries in transition, emerging economies and the poorest countries. Sub-Saharan Africa continues to face unusually severe challenges. We will concentrate resources on those countries that need them most and that can use them effectively, reflecting the fact that their policy program is credible and that their Government is fully committed to implement it. Grants and concessional financing should be directed primarily to meet the financial requirements of the poorest countries which have no or limited access to the international capital markets, once they can demonstrate their commitment to create the conditions to use them effectively;
- giving more explicit priority to sustainable development and the alleviation of poverty. This should mean adequate ODA funding of essential sectors such as health and education, basic infrastructures, clean water schemes, environmental conservation, micro-enterprises, agricultural research and small-scale agriculture, with for example the help of IFAD;
- we should support the establishment of a dynamic and competitive private sector in developing countries based on small and medium scale enterprises. ODA can play a catalytic role in creating the conditions in which such a private sector can flourish;
- lastly, further integrating the Least and Less Developed Countries into the global economy, using the full range of policy instruments having an impact on development. Within the multilateral environment which has emerged from the Uruguay Round Agreement, this should be an essential objective. We will support the LLDCs' efforts to achieve such integration, for