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Held at the Palais des Nations, Geneva, on Tuesday, 9 July 2013, at 10 a.m.

President: Mr. Osman (Vice-President) (Sudan)

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In the absence of Mr. Osorio (Colombia), Mr. Osman (Sudan), Vice-President, took the Chair.

The meeting was called to order at 10.15 a.m.

Implementation of and follow-up to major United Nations conferences and summits

(a) Follow-up to the International Conference on Financing for Development (A/68/78-E/2013/66)

General debate on financing for development

The President opened the general debate on financing for development.

Ms. Chan (Observer for Fiji), speaking on behalf of the Group of 77 and China, said that while countries must take prime responsibility for their own development, developing countries still needed support from the international community. A global partnership for development should be established with due account being taken of the economic crisis, global inequality, climate change and the need to strengthen the role of the United Nations in global economic governance. Coordination between the United Nations and other international bodies should be improved in order to establish a framework for development finance, and a follow-up conference on the subject should be held as soon as possible. The Group of 77 and China welcomed the establishment of the Intergovernmental Committee of Experts on Sustainable Development Financing. Post-2015 development efforts should be focused on innovative policies that were tailored to local conditions, and resources should be shifted from the financial economy to the real economy.

Mr. Paulauskas (Observer for Lithuania), speaking on behalf of the European Union and the candidate countries Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Iceland, Serbia, Albania, Ukraine, the Republic of Moldova and Georgia, reaffirmed the commitment of the European Union to the Monterrey Consensus and the Doha Declaration. He said that the European Union was working on a comprehensive post-2015 framework and attached high priority to the formulation of consistent development policies that covered matters such as democracy, the rule of law, human rights, gender equality, the empowerment of women and population and migration issues. A finance strategy capable of supporting a global development agenda was needed. A comprehensive, integrated approach to the financing and implementation of global sustainable development programmes, climate change programmes and biodiversity finance should be adopted. Upcoming reports from the Intergovernmental Committee of Experts on Sustainable Development Financing and the Open Working Group on Sustainable Development Goals should be used as a basis for preparing a Monterrey follow-up conference and other international processes.

The European Union would welcome an early agreement on trade facilitation within the framework of the Doha Development Agenda. It welcomed the Los Cabos Growth and Jobs Action Plan and the work done by the Group of 20 on inclusive green growth and natural capital accounting. The gradual elimination of environmentally harmful subsidies was crucial for economic, ecological and social sustainability. The Green Climate Fund could make a valuable contribution to international efforts to tackle climate change.

Ms. Kural (Turkey) said that capacity-building was a key element of sustainable development and that fiscal policy should focus not only on efficiency but also on equity. Development assistance should be directed towards activities that generated employment and helped small and medium-sized businesses. Constraints on free trade should be reduced and action taken to ensure gender equality, which would contribute greatly to the achievement of the Millennium Development Goals.

Turkey had pledged to contribute US\$ 5 million to the United Nations Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States for follow-up to the Programme of Action for the Least Developed Countries for the Decade 2011–2020. It had offered to host the mid-term review conference on the programme in 2015. In 2012, it had begun to allocate US\$ 200 million annually to LDCs under an economic and technical cooperation programme. It had also increased its voluntary contribution to the United Nations Development Programme (UNDP) to US\$ 3 million in 2013.

Mr. Arrivillaga (Observer for Honduras) said that developing countries would increasingly be required to mobilize their own resources in order to achieve sustainable development. Remittances could play a fundamental part in that regard. Attempts by Honduras to create a favourable environment for its own sustainable development would, however, fall short of expectations without a global economic recovery and sustained international cooperation. If the goal of global transformational development was to be met, a new concept of development and consistent and measurable development objectives must be devised.

Ms. Robl (United States of America) said that for progress in development to be made, it would be necessary to mobilize domestic resources, secure private sector investment in the developing world and create further trade avenues. Development-financing strategies initiated by the Council should be consistent with those adopted by other United Nations bodies. Partnerships between the United Nations system and regional organizations, States, civil society and the private sector should be enhanced. The volume of funding emanating from private capital, remittances and private philanthropic initiatives had come to dwarf that of official development assistance. In order to make the most of those resources, developing countries must put in place democratic and legal systems to guarantee potential investors and trading partners broad market access and high standards of investment protection. The United States would continue to support efforts to alleviate poverty but would not participate in any system that effectively imposed a global tax. It would be more effective if a high-level meeting on follow-up to the Monterrey Consensus were to be held after the post-2015 development agenda had been put in place.

Ms. Adhikari (Nepal) said that securing sustainable funding for development had become an urgent priority and that the importance of trade for development and poverty reduction could not be overemphasized. Her Government attached great importance to an early conclusion to the Doha Round and hoped for a development-friendly outcome. Nepal wished to graduate from LDC status by 2022. However, it could not finance its development alone and needed greater cooperation and prompt delivery on all pillars of financing from its development partners.

Aid for trade and targeted resources should be used to enhance the trading capacity and international competitiveness of LDCs. Most foreign direct investment continued to be made in resource extraction sectors. Investment in more productive areas could be encouraged through special risk-mitigation and institutional guarantee mechanisms. Nepal would continue to advocate for official development assistance to be delivered without conditions and in a transparent and predictable manner. The agreed target of 0.15–0.2 per cent of gross national income for official development assistance spending was insufficient and the actual allocation of 0.1 per cent on average from donors was disappointing. More should be done to alleviate the debt burden of LDCs and to help them to mitigate climate change, which had a disproportionately negative impact on them. As a matter of priority, support should be provided to develop infrastructure, research and development activities and the productive capacity and international competitiveness of LDCs.

Mr. Popov (Belarus) said that it was regrettable that the overall volume of official development assistance was declining and that most donor contributions to the budgets of

United Nations organizations were used to further the interests of the donors and to limit the capacity of the United Nations to carry out its mandate independently.

Mr. Laher (South Africa) said that global partnership must remain the centrepiece of financing for development. In that context, further and urgent efforts were required to deliver on the financial commitments made in the framework of the Millennium Development Goals, especially with regard to assistance for Africa. His Government supported the idea of convening a conference to follow up on the Monterrey Consensus, as well as the holding of open, transparent and inclusive consultations on development financing modalities. It might also be useful to convene the High-level Dialogue on Financing for Development annually, rather than every two years. The United Nations played a key coordinating role in that regard.

As a member of the Intergovernmental Committee of Experts on Sustainable Development Financing, South Africa attached great importance to efforts to mobilize development resources. In its view, South-South cooperation should not be seen as a replacement for traditional North-South or triangular cooperation. He was concerned about the tendency to place certain developing countries in a separate category, depending on their level of development. It was for developing countries themselves to decide when they were ready to move out of a given category.

Mr. Alnowaiser (Observer for Saudi Arabia) said that the total development assistance provided by Saudi Arabia in the framework of the Millennium Development Goals exceeded the target of 0.7 per cent of gross national product (GNP). Saudi Arabia had donated US\$ 300 million to a special fund for energy, environmental and climate change research. It had also provided soft loans in the amount of US\$ 500 million to fund energy projects in developing countries. As part of its poverty reduction efforts, the State provided assistance bilaterally and substantial financial contributions to initiatives in the area of food security, among others. It invested in agricultural development abroad, while ensuring food security at home. In that connection, he called on recipient countries to provide an appropriate climate for such investments.

His Government viewed environmental protection as a key element of its sustainable development strategy. In its view, growth must not be linked to climate change but instead to countries' specific circumstances. Policies on fossil fuel subsidies must also be country-specific and must not bar the poor from gaining access to energy. Energy security was not just about supply but also about demand, protection from price volatility and non-discriminatory taxation of petroleum. In that connection, Saudi Arabia was diversifying its economy, investing in solar power and carbon capture and storage technologies and developing cleaner petroleum products in order to counter the potentially adverse effects on its economy of global policies on climate change.

Ms. Luna (Mexico) said that the holistic agenda emanating from the Monterrey Consensus and Doha Declaration on Financing for Development could provide a solid basis for the design of an integrated, universal and adequately financed post-2015 development agenda. Mexico had repeatedly called for a single agenda that included the economic, social and environmental dimensions of development. The Intergovernmental Committee of Experts on Sustainable Development should use the policy analysis framework provided by the Monterrey Consensus to identify financial requirements and innovative financing mechanisms for sustainable development. For the sake of coherence, the Financing for Development Office should lend its support to the Committee, whose report would be important input for the discussions in preparation of the post-2015 agenda. In that connection, her delegation supported the idea of holding a follow-up conference on financing for development.

Mr. Ismail (Sudan) said that the issue of security additional financing for development had emerged in the aftermath of the 2002 International Conference on Financing for Development. He deplored the decline in official development assistance and reminded the international community of the commitment that it had made to mobilizing financing for development and using it more effectively. A new and equitable international trade order was needed to contribute to sustainable development and debt relief. There was a dire need for an effective strategy to finance development that was based on the diversification of financing sources. Developed countries must make financing for development a priority.

Good governance, transparency and accountability in public administration were important ingredients of effective financing for development, as corruption was a major obstacle to development. Equally important were stable international capital flows and monetary stability. Countries must create the right conditions to attract foreign direct investment, which supported long-term sustainable development.

Ms. Wang Yi (China) said that adequate funding was a prerequisite for closing the North-South development gap. Developed countries must honour their commitment to contribute 0.7 per cent of GNP to official development assistance and explore new funding mechanisms. The coordination of macroeconomic strategies should be strengthened so as to promote inclusive and balanced economic growth worldwide. Multilateral trade systems should be improved to create a favourable trade environment for developing countries. Further reforms of the international financing system were needed to make it fair, and China would continue to extend development assistance in the framework of South-South and international cooperation.

Ms. González Zambrano (Bolivarian Republic of Venezuela) called for steps to be taken to democratize the Bretton Woods institutions. She said that the structural issues underlying the current world economic crisis must be addressed and remedial measures taken to reduce reliance on the United States dollar as a reserve currency. As to reform of the international financial system, measures must be adopted to limit speculative transactions and incorporate debt relief provision.

While her country did not object per se to the private sector providing financing for sustainable development, it did not view such arrangements as a way of absolving States from their responsibility. The search for new sources of financing should not divert attention from developed countries' failure to meet their official development assistance targets. Moreover, South-South cooperation partly bridged the financing gap, it could not replace North-South cooperation. The focus on perpetuating the accumulation of capital, rather than on addressing the causes of the global economic crisis was disconcerting. An open exchange of national experiences with regard to sustainable development would be welcome.

Ms. Williams (Observer for Barbados) recalled that small island States faced unique development challenges, such as high infrastructure and transport costs, diseconomies of scale and sea encroachment. Those challenges should be given special consideration by donors when they decided on allocations of development financing. The United Nations could play an important role in that regard by promoting greater policy coherence and reopening access to concessionary funding. Development needs had become more complex than in the past and encompassed aspects such as institutional capacity-building, logistics, transport, skills development and the diffusion of technology. An inclusive global partnership was vital to meeting development goals and preventing the erosion of the gains made by developing countries.

Mr. Larsen (Norway) said that securing financing for development would be crucial for the implementation of the post-2015 agenda and official development assistance

would remain an important element of that endeavor. In 2013, Norway would contribute the equivalent of 1 per cent of its GNP for official development assistance. He commended emerging and middle-income countries for contributing to resource mobilization for the least developed countries. As a member of the Intergovernmental Committee of Experts on Sustainable Development Financing, Norway looked forward to working on the report on a sustainable development strategy for consideration by the General Assembly in 2014.

Mr. Razzoqi (Kuwait) said that Kuwait had spared no efforts to achieve the Millennium Development Goals and had provided assistance to other countries through the Kuwait Fund for Arab Economic Development. Globalization had benefited industrialized and developing countries alike. However, economic growth had been pursued at the expense of human development and the protection of natural resources. Therefore, the greatest challenge for the international community post-2015 would be to reconcile development and poverty eradication efforts with environmental protection.

Coordination, programme and other questions

(a) Reports of coordination bodies

Presentation of the annual overview report of the United Nations System Chief Executives Board for Coordination for 2012 (E/2013/60)

Ms. Petrova (Director of the secretariat of the United Nations System Chief Executives Board for Coordination) said that one of the Board's top priorities in 2012 had been the system-wide preparations for the Rio+20 Conference. The Board had joined the Secretary-General in a high-level interactive dialogue at the conference to share experiences and innovative ideas on partnerships to foster sustainable development. It had also endorsed an appeal made to the international community to support the introduction of sustainable development framework that would significantly improve well-being, social and intergenerational equity and environmental sustainability in countries.

To accelerate progress on the Millennium Development Goals, the Board had agreed to include national implementation reviews as a standing item on its agenda. It had selected three countries for the initial review, namely, Ghana, Niger and the United Republic of Tanzania, and would focus on poverty reduction and maternal mortality targets. On another note, it was supporting system-wide action to integrate the rule of law into the normative and operational work of the United Nations system.

She said that the High-Level Committee on Programmes had continued its efforts to enhance system-wide policy coherence and coordination in order to meet global challenges such as climate change and international migration. In that connection, at the Conference of the Parties to the United Nations Framework Convention on Climate Change in Doha, the Secretary-General and Qatar had co-hosted an event to highlight people-centred sustainable solutions to the challenge of climate change.

The harmonization and simplification of United Nations business practices continued to be a key priority for the High-Level Committee on Management. Jointly with the United Nations Development Group, the Committee had looked for opportunities to pool resources and lighten administrative and procedural burdens in areas such as financial management, procurement, human resources, and information and communication technology. Over US\$ 20 million in savings had been made as a result of better collaboration on exchange rates. Operationally, the Development Group had continued to lend targeted support to Member States to deal with matters such as how to make the transition from relief to development.

Lastly, the Board remained committed to cooperating with other bodies such as the Joint Inspection Unit and the International Civil Service Commission and to improving

dialogue with Member States. It had launched a new version of its website that offered access to financial and human resources data of the United Nations system.

Mr. Vasiliev (Russian Federation) said that the order in which the Board considered reports did not contribute to the effectiveness of the Council's work. He hoped that the process would be reviewed.

Mr. Rodríguez Nicolat (Mexico) requested additional information about the review conducted of after-service health insurance, specifically in respect of long-term liabilities.

Ms. Petrova (Director of the secretariat of the United Nations System Chief Executives Board for Coordination) said that the Finance and Budget Network of the High-Level Committee on Management had discussed the subject of after-service health insurance in June 2013. A working group would examine the various plans offered throughout the United Nations system. Funding and investment options would then be considered, based on the working group's findings and actuarial predictions.

Ms. Robl (United States of America) welcomed the new standard operating procedures for countries wishing to adopt the "Delivering as one" approach. She said that she would like to have more information about other Board initiatives to harmonize business practices, make additional savings and develop cooperation with international financial institutions to achieve the Millennium Development Goals.

Ms. Petrova (Director of the secretariat of the United Nations System Chief Executives Board for Coordination) said that a number of ways of delivering more efficient services were being explored. They included the holding of regular meetings to share strategies and discuss investment options. Harmonization was an ongoing process and additional results would be communicated in due course. The Board would be analysing obstacles to the achievement of the Millennium Development Goals in selected countries and presenting possible solutions at each of its sessions between 2013 and the end of 2015.

The meeting rose at 12.30 p.m.