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Summary record of the 9th meeting

Held at Headquarters, New York, on Thursday, 11 October 2018, at 3 p.m.

Chair: Ms. Alateibi (Vice-Chair) .... (United Arab Emirates)

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18-16973 (E)

In the absence of Mr. Skinner-Klée Arenales (Guatemala), Ms. Alateibi (United Arab Emirates), Vice-Chair, took the Chair.

The meeting was called to order at 3.10 p.m.

Agenda item 18: Macroeconomic policy questions (*continued*) (A/73/455)

(a) International trade and development (*continued*) (A/73/15 (Part I), A/73/15 (Part II), A/73/15 (Part III), A/73/15 (Part IV) and A/73/208)

(b) International financial system and development (*continued*) (A/73/280)

(c) External debt sustainability and development (*continued*) (A/73/180)

(d) Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development (*continued*)

Agenda Item 19: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (*continued*) (A/73/86–E/2018/68 and A/73/455)

1. **Mr. Pan** (Singapore) said that his country strongly supported the inclusive and sustainable growth envisioned by the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda of the Third Conference on Financing for Development (Addis Ababa Action Agenda). His Government's macroeconomic policies were based on a long-term pragmatic approach that involved helping people adapt to the challenges of sustainable development while pursuing economic growth.

2. National development efforts could only be successful, however, if they were supported by a conducive global economic system. The current volatile global economic conditions posed both a short-term challenge to domestic priorities, such as jobs and growth, and a long-term threat to achieving the 2030 Agenda and the Addis Ababa Action Agenda. Escalating trade tensions were a particular source of concern as rising trade barriers would disrupt value chains and business models, affecting many industries, countries and workers.

3. In an increasingly multipolar world, the multilateral system must be strengthened by addressing global problems on the basis of consensus and by reinforcing the role of the United Nations, the World Trade Organization (WTO) and the Bretton Woods institutions in global economic governance. In the context of multilateralism, Singapore had been working with relevant international organizations to strengthen its resilience against illicit finance, including risks related to money-laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The Government had also taken firm regulatory action against breaches of its national financial rules and would continue cooperating with other countries and stakeholders to strengthen capabilities to address technology risks and respond to cyber threats.

4. As developed and developing countries alike had reaped the benefits of economic liberalization since the end of the Second World War, both had a stake in supporting free trade. Firmly committed to WTO and the multilateral trading system, Singapore was collaborating with other countries to promote the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership. Both instruments would reduce market barriers, foster trade and promote economic integration.

5. A global economic system that was open, inclusive, transparent and based on the rule of law was of crucial importance to many countries, including Singapore. His Government strongly supported international law, which helped provide all countries with a predictable international environment and framework to develop their economies. It had therefore signed key international tax agreements to combat tax evasion and exchange information with a wide network of jurisdictions. Clear rules and norms created the conducive environment necessary for companies to make investment decisions and build capabilities for their future.

6. **Mr. Carazo** (Costa Rica) said that his country acknowledged the importance of gradual efforts to translate the political commitments made under the Addis Ababa Action Agenda into instruments that would lead to concrete actions with a positive impact for developing countries. Attention must therefore turn to creating an enabling environment for development and providing the necessary financing as a response to the growing emphasis being placed on the mobilization of domestic resources. Consequently, Costa Rica called for the revitalization of the Addis Ababa Action Agenda and for enhanced implementation of all its action areas.

7. For sustainable development strategies to be successful over the long term, transparent and corruption-free governance were essential. Illicit financial flows must be detected and prevented and open

governance, accountability and adherence to related international instruments must be promoted, including the United Nations Convention against Corruption.

8. Given the potential for innovation to create well-being, his delegation emphasized the importance of technology transfer and capacity-building, although rapid technology change brought its own challenges for developing countries. Costa Rica therefore welcomed the Secretary-General's High-level Panel on Digital Cooperation as an opportunity to explore new ways to strengthen the transformative role of digital technology in society.

9. The international community must improve its response to the individual development capacities and obstacles of each country. Per capita income should no longer be used by the United Nations and international financial institutions as the main way to measure development. Structural gaps and other factors must be incorporated in those measurements, including the impacts of market fluctuations on countries, the dependence of their economies on raw materials, their levels of inequality and external debt, and their climate vulnerability.

10. **Ms. Yuktadatta** (Thailand) said that, while the international community needed free and fair trade to facilitate the achievement of the Sustainable Development Goals, escalating protectionist sentiments and trade tensions were increasingly impeding the ability of trade-dependent countries to advance their development agendas. However, bilateral, subregional and regional trade and economic integration represented important building blocks for multilateral cooperation. They enhanced the capacity of developing countries to pursue their trade agendas more broadly and adapt to emerging trends. For its part, Thailand had benefited from its engagement in such frameworks as the Asia-Pacific Economic Cooperation forum, the Association of Southeast Asian Nations and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy.

11. A universal, rules-based, open, transparent, inclusive, non-discriminatory and equitable multilateral trading system under WTO remained imperative, as did the need for an open, fair and inclusive international financial system. The progress achieved to date by the governance reform at the Bretton Woods institutions was therefore welcome, including efforts to expand the representation of developing countries on the Executive Board of the International Monetary Fund (IMF).

12. In the area of financing for development, his Government highlighted the continued importance of official development assistance (ODA), domestic resource mobilization secured through good governance, and innovative domestic and international public-private partnerships.

13. The great potential of digital technologies to promote socioeconomic and financial inclusion should be further leveraged to provide all people with opportunities and equitable access to financial and basic services, including education and health care. The telecommunications infrastructure in Thailand, for example, had connected more than 24,000 villages to the Internet, thereby bridging the digital divide between rural and urban areas. Macroeconomic and financial policies similarly needed to be people-centred and focused on sustainable development in order for them to have a genuine impact on people's lives.

14. **Mr. Al-Mahmoud** (Qatar) said that, given the uncertainty, volatility, high unemployment and debt that characterized the international economic environment, maintaining a multilateral, rules-based, open and fair trading system was more important than ever. The report of the Secretary-General on international trade and development (A/73/208) had indicated that progress in the Doha Round would be crucial for the success of international partnerships for development. Member States should honour their pledges under the Addis Ababa Action Agenda. Domestic resource mobilization would also be a major factor in eradicating poverty and achieving the other Sustainable Development Goals.

15. Qatar had hosted the Economic and Social Council forum on financing for development follow-up held in 2017 and had taken active part in the third forum held in New York in 2018. The outcomes of such meetings reflected international consensus. When States resorted to unilateral measures to achieve political purposes, they were acting in conflict with the Charter of the United Nations, international law and the basic principles underpinning the multilateral trading system. They were also infringing on the right to development. His country was determined to overcome the unilateral measures to which it was being subjected and remain an active partner for development on the international stage.

16. **Mr. Mohamed** (Sudan) said that international trade was an important source of development finance and a key to eradicating poverty and achieving the other Sustainable Development Goals. His Government supported a multilateral, non-discriminatory, open, transparent and predictable international trading system under WTO.

17. His country was still involved in difficult negotiations over its accession to WTO. Developing countries such as his faced special problems in the areas of infrastructure, information and communication

technologies, and business climate. The Sudan, which had a heavy external debt burden that prevented it from deriving full benefit from ODA, continued to be unable to benefit from the Heavily Indebted Poor Countries Initiative despite meeting all the conditions.

18. **Ms. Ortez** (Honduras) said that regulatory mechanisms and oversight of the international financial system must continue to be improved to foster the conditions for the implementation of the 2030 Agenda. Domestic resource mobilization alone would not suffice to create the economic growth required to achieve sustainable development, promote social justice and inclusion, and eradicate poverty in all its forms and dimensions.

19. The Addis Ababa Action Agenda was an integral part of the 2030 Agenda, given its role in supporting the implementation of concrete policies and measures. Honduras remained committed to the increased mobilization of financial resources, including new, predictable and stable financial flows to create an enabling environment for sustainable development.

20. Given that access to concessional financing decreased as national incomes grew, it was becoming increasingly difficult for developing countries to access affordable financing. Her delegation therefore supported the use of multidimensional indicators to measures the complex realities of development. The current classification of countries by income prevented development cooperation resources from being properly allocated, rendering assistance less effective. The current system classified middle-income countries among the most developed countries on the assumption that they had overcome high levels of poverty, inequality and vulnerability when, in fact, those challenges still needed to be addressed on a case-by-case basis.

21. The tax margin in many countries was insufficient to finance the achievement of the Sustainable Development Goals. Honduras was preparing to make changes to resource policies, increase the tax base and introduce innovative financing methods. A long-term public finance strategy had been defined to make more resources available and increase their impact on development policies in order to achieve the Goals. Honduras had implemented a variety of methods to attract investment, such as identifying its most competitive industries for foreign direct investment.

22. The international community must work together under the aegis of the United Nations to empower small and medium-sized enterprises with new methods to access financing. Small producers could truly benefit from fair trade when given improved training with a focus on gender equality and social development. Only fair market access would lead to the successful implementation of the 2030 Agenda at the global level.

23. **Mr. Bolaji** (Nigeria) said that the 2030 Agenda would remain nothing more than an agenda unless all countries rallied around to ensure its implementation. Such issues as access to financial resources and technology, innovation, capacity-building and fairer international trading and financial systems were critical to enabling countries in need to fully meet their expectations. In that context, a positive outcome was needed on trade facilitation measures, particularly related to agriculture and development issues.

24. The path to sustainable development and economic prosperity lay through the diversification of the economy. His Government had taken various initiatives to transition from an oil-dependent to a multi-sector economy, paying particular attention to the agriculture and mining sectors. Significant progress had been made in stabilizing the national currency, consistently reducing inflation, increasing foreign reserves and demonstrating fiscal discipline and a commitment to creating a conducive business environment. His Government's 2017–2030 Economic Recovery and Growth Plan was a positive step towards macroeconomic growth and had resulted in the economy's rapid emergence from recession. Nigeria had also moved significantly up the "ease of doing business" ranking produced by the World Bank in 2018.

25. Like most developing countries, Nigeria was concerned that the total amount of ODA received from developed countries over the years remained far below the target of 0.7 per cent of gross national income. Indeed, some donor countries had recently been allocating more of their ODA resources to address humanitarian and crisis situations. That policy shift was inconsistent with a long-term and sustainable approach to financing for development.

26. The Economic and Social Council forum on financing for development follow-up was a crucial platform for financing the Sustainable Development Goals. His delegation therefore welcomed the third forum, held in New York in April 2018, and called for the implementation of its intergovernmentally agreed recommendations.

27. **Mr. Poudel Chhetri** (Nepal) said that, while the global economy had undergone an expansion as a result of a cyclical upturn, risks to economic growth were on the rise. Trade tensions, monetary adjustments in developed countries, exchange rate volatility in several developing countries and other factors had made macroeconomic prospects more fragile than the data

suggested. In the least developed countries, investment flow was declining and the trade deficit was worsening. Since 2014, the least developed countries’ negligible share of global exports had declined further, making it more difficult for them to achieve target 17.11 of the Sustainable Development Goals. Their plight was further aggravated by low preferential market access in key sectors. Least developed countries that were also landlocked or small islands faced even more challenges, which had led to escalating development costs.

28. Given the importance of trade as a key means of implementation, increasing trade tensions would hurt developing countries the most while calling into question the rule-based multilateral trading system would seriously hamper those who lagged the furthest behind. The early conclusion of the Doha Development Round was in the interest of all WTO members and would contribute positively towards development.

29. A robust global effort was also needed to support developing countries, particularly least developed countries, landlocked developing countries and small island developing States, to ensure that the digital divide did not further widen income inequalities. Given the increasing digitalization of finance, it was equally important to enhance financial and digital literacy. There was insufficient investment in a host of critical areas such as infrastructure, small and medium-term enterprises, renewable energies and clean technologies. Short-term investment could not propel sustainable development.

30. While it was vital to make the international financial system inclusive by ensuring greater participation by developing countries, it was also important to encourage and scale up foreign direct investment for the development of their key infrastructure. Accordingly, development partners should fully comply with their ODA commitments, facilitate trade and exports and encourage the flow of investments and technologies in line with the Addis Ababa Action Agenda and the 2030 Agenda, as well as the Programme of Action for the Least Developed Countries for the Decade 2011–2020 and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024. Despite the challenges and risks facing the global economy and ongoing trade tensions, the international community could not divert its attention from the hundreds of millions of people whose lives and well-being were at stake.

31. **Ms. Engelbrecht Schadtler** (Bolivarian Republic of Venezuela) said that, despite 2.7 per cent growth in the global economy in 2017, protectionist measures represented an unprecedented economic threat that could weaken confidence in monetary policy and investment and disrupt global trade. It was more crucial than ever to defend multilateralism based on solidarity, social justice, complementarity, special and differential treatment and inclusion. That was the only way to achieve a new international economic order, which also required reform of the international financial architecture by democratizing decision-making mechanisms and ensuring greater participation by developing countries.

32. Financing for development must be predicated on the understanding that there was no one-size-fits-all model. Rather, such financing should be flexible and based on the specific needs and priorities of countries as set forth in their national strategies and development plans. Similarly, it was critical to mobilize funds for poverty eradication based on national development plans and the sovereign management of natural resources. Conversely, coercive unilateral economic, financial and commercial measures like those affecting her country were incompatible with the Charter of the United Nations and impeded socioeconomic development. The international community should take decisive action to lift such measures.

33. The international community, especially the developed countries, must commit to ensuring that debt relief did not have a negative impact on support for other development activities. In that regard, her delegation acknowledged the work done by the United Nations Conference on Trade and Development (UNCTAD) on debt management and the principles of sovereign debt.

34. It was critical to ensure that countries honoured their ODA commitments to guarantee permanent, stable, predictable and unconditional funding for operational activities for development. As such, the commitments undertaken in the Monterrey Consensus of the International Conference on Financing for Development and the Addis Ababa Action Agenda must be fulfilled. Collective attention must turn to strengthening and improving the work of the Economic and Social Council forum on financing for development follow-up as the main mechanism for the formulation of recommendations in that area.

35. **Ms. Zahir** (Maldives) said that the Committee’s discussions should focus on coordinating national macroeconomic policies towards achieving the Sustainable Development Goals. Maldives had undergone sustained economic growth in the past few years and expected to maintain that momentum. To further accelerate growth, it was committed to strengthening national economic fundamentals and

institutional capacities while improving governance structures. In July 2018, for example, the Maldives had signed an agreement with the World Bank to further improve its financial management system in the public sector. In so doing, the Government hoped to enhance transparency, accountability and efficiency in budgeting and debt management, prepare and prioritize high-impact and affordable public investments and optimize the cost and risks of public debt.

36. A positive outcome of her Government's policy decisions was the favourable credit ratings that it had received from international credit ratings agencies. However, Maldives remained subject to challenges unique to small and open economies, including geographic isolation, the high unit cost of capital investment and service delivery, and highly specialized industries. To address those problems and further stimulate its main industries, particularly tourism, a strategic decision had been made to invest in modernizing critical airport infrastructure.

37. International financial institutions needed to be more sensitive and flexible in considering concessional financing requests from small island developing States, particularly the newly graduated ones. Without a conducive environment, multilateralism would not be inclusive and small island developing States would not be able to maintain sustained economic growth.

38. **Mr. Tenya** (Peru) said that efficient follow-up and review would be necessary within the framework of a revitalized alliance for sustainable development in order to eradicate poverty and ensure prosperity and sustainability for future generations. Peru had proven that it was possible to transform a country within the space of a single generation. As a result of economic growth, less than a quarter of all Peruvians were now living in poverty compared with more than half of the population 15 years earlier. Nevertheless, while Peru was classified as a medium-income country, inequalities and structural constraints restricted its ability to invest and redistribute wealth. It was especially vulnerable to sluggish global economic growth and fluctuations in the price of exported raw materials.

39. Common challenges related to climate change, increased automation, transnational organized crime and high levels of corruption were also affecting the development potential of Peru. Hence the need not only to strengthen multilateralism and international cooperation, but also to engage the private sector in sustainable development financing by promoting economic and trade openness and the green economy.

40. In line with the Addis Ababa Action Agenda, his Government had taken a series of steps to increase public and private investment and to rebuild the north of the country impacted by the coastal El Niño phenomenon in 2016. As a result, economic growth in the current year was estimated to have reached 4 per cent, compared with only 2.5 per cent in 2017. Sustained economic growth would depend on the pursuit of sound macroeconomic management policies and adherence to the rule of law.

41. National development policies and their funding were primarily directed towards providing Peruvians with the education, health and infrastructure required for them to have equal opportunities to compete on global markets. In that regard, his delegation reiterated the importance of international trade and the need to avoid protectionist measures. However, the productivity and competitiveness of the Peruvian economy were also dependent on a transition to the formal sector. Human-centred development required decent jobs, which in turn would enlarge the tax base needed to boost financing for development and reduce inequalities. Financial inclusiveness and digitized payments would also contribute towards those goals.

42. **Mr. Bessedik** (Algeria) said that successful implementation of the 2030 Agenda depended on adherence to the principle of shared but differentiated responsibilities and avoidance of unilateral approaches. Transparency and multilateralism were crucial. His delegation called on the international community to take steps to improve international financial regulation, enhance existing finance mechanisms, reform the international financial architecture and uphold a non-discriminatory, transparent and rules-based system.

43. While each country was responsible for its own economic and social progress, the international community could take steps to create a favourable environment. It was imperative for developed countries to fulfil their ODA commitments — particularly given the collapse of commodity prices — if the poorest countries were to avoid severe austerity measures. The international financial institutions also needed to help countries restructure and reduce their external debts. While maintaining sustainable levels of debt was the responsibility of the borrowing States, the creditor States had a responsibility to avoid lending in ways that compromised debt sustainability.

44. The stalemate in the Doha Round was preventing international trade from fulfilling its full potential as a catalyst for development. Illicit financial flows were not only a major drain on development resources, they were also instrumental in the proliferation of organized crime and illegal trafficking in drugs and humans. The countries of destination should therefore take steps to

assist developing countries, especially in Africa, to repatriate their stolen assets.

45. **Mr. Bilan** (Ukraine) said that his country regarded the multilateral trading system as a development policy instrument and had concluded numerous bilateral and multilateral trade agreements. Both the third forum on financing for development follow-up and the 2018 report of the Inter-Agency Task Force on Financing for Development had highlighted progress and gaps. Fragile and conflict-affected countries should be given special attention.

46. Although it was actively confronting foreign aggression, his country had managed to implement a number of significant reforms in taxation, banking, budgeting, fiscal decentralization, social welfare, health care, education and pensions. The success of those reforms was reflected in a third consecutive year of growth in gross domestic product (GDP), a stabilized currency under a flexible exchange rate, and a successful return to international financial markets. The resulting domestic resource mobilization was enhancing national efforts to achieve the Sustainable Development Goals. Multilateral and bilateral financing mechanisms also remained important, and his country would continue to cooperate with IMF and other international financial institutions.

47. **Mr. Lu** Yuhui (People's Republic of China) said that the fourth industrial revolution was making the world's economies more interconnected than ever. However, increased unilateralism and protectionism were having a negative impact on the international trading system. Only multilateralism could achieve win-win outcomes for all parties. The international community should preserve an open, rules-based and multilateral trading system under the auspices of WTO, all countries should share the benefits of globalization, and efforts should be made to improve infrastructure and promote e-commerce, with a view to including all in the digital revolution. From 5 to 10 November 2018, his country would be hosting the first China International Import Expo, which would include a trade forum to discuss new trends and promote an open world economy.

48. Developing countries should have greater representation in international financial institutions. Hence, all concerned parties should complete the IMF fifteenth General Review of Quotas, and interest-free and concessional loans should be provided to help countries repay their external debts. His Government took care to extend deadlines and provide relief for developing countries that were having difficulty paying their loans. Financing for development was the key to implementation of the 2030 Agenda.

49. The international community should create an international trading system that promoted investment in developing countries. For many years, his country's economy had contributed disproportionately to global growth. In April 2018, China had announced that it would significantly open its markets to foreign imports. In 2019, it would host the second session of the Belt and Road Forum for International Cooperation, which should become an important platform for promoting successful globalization.

50. **Mr. Tōnē** (Tonga) said that his delegation supported the Addis Ababa Action Agenda as the global framework for the implementation of the 2030 Agenda. It therefore welcomed the summary by the President of the Economic and Social Council of the forum on financing for development follow-up (A/73/86–E/2018/68).

51. As a small island developing State, Tonga valued the support of its development partners. It also recognized the need to enhance domestic resource mobilization through improved fiscal and monetary policies. Financial inclusion, especially for women, was central to the creation of equitable societies. The National Reserve Bank of Tonga had endorsed the 2011 Maya Declaration and had put forward his country's first National Financial Inclusion Strategy.

52. As Tonga was a low-lying island State, climate change was the foremost challenge to its development and it urgently required sustainable and accessible resources to prioritize adaptation and mitigation measures. The ongoing assistance of development partners was greatly appreciated in that regard.

53. **Ms. Hamdouni** (Morocco) said that her country was implementing rigorous macroeconomic reforms aimed at creating a stable and consolidated financial and commercial framework that was conducive to diversification and achievement of the Sustainable Development Goals. Morocco was committed to trade liberalization and a rules-based and non-discriminatory multilateral trading system under the auspices of WTO. Given that insufficient progress in multilateral trade negotiations was blunting the contribution of trade to development, a unified and coordinated approach must be taken to overcome the stalemate in the Doha Round. At the same time, development partners should fulfil their ODA commitments, which remained a cornerstone of development. Domestic resource mobilization and other financing mechanisms also had their roles to play, while South-South cooperation remained crucial.

54. Morocco had over 500 trade and investment agreements with more than 40 African countries, with a focus on green and inclusive finance that provided the resources necessary to meet long-term sustainable development needs as outlined in the Addis Ababa Action Agenda. Her country was also engaging in South-South cooperation in the Caribbean and Pacific regions. However, strengthened international collaboration was needed to combat illicit financial flows and other abuses of the financial system.

55. **Mr. Philakone** (Lao People's Democratic Republic) said that, despite the gradual global economic recovery, developing countries continued to face numerous challenges, including commodity price volatility, low productive capacity, non-diversified export structures, vulnerability to external shocks and limited market access. The half billion people living in countries in special situations were particularly at risk of being left behind. He urged all countries to fulfil their commitments under the Addis Ababa Action Agenda.

56. His Government had mainstreamed the 2030 Agenda, the Addis Ababa Action Agenda, and other major global development initiatives into its eighth five-year development plan, which covered the period from 2016 to 2020. The Lao People's Democratic Republic was expanding economic cooperation with other countries and regions. It was an active member of the Association of Southeast Asian Nations and had commercial relations with over 50 other countries.

57. **Mr. Gayito** (Ethiopia) said that, although the international community was advancing towards implementing the Addis Ababa Action Agenda, progress remained uneven and there were significant risks, including rising debt in developing countries. Hence, it was important to take action at all levels to address implementation gaps. His Government appreciated the initiatives taken by all development actors to accelerate implementation and commended the Secretary-General for his strategy on financing the 2030 Agenda.

58. Funding was critical to achieving both the Sustainable Development Goals and the Paris Agreement under the United Nations Framework Convention on Climate Change. A renewed political commitment and revitalized global partnership, as well as multi-stakeholder collaboration, would be absolutely crucial in that regard. The private sector must also be involved to mobilize resources aligned with the Goals. Building such productive public and private partnerships would offer long-term opportunities and serve as a win-win approach.

59. His Government had prepared a road map for implementing the Addis Ababa Action Agenda and would continue enhancing its capacity to mobilize domestic resources, including by modernizing the tax system. It was also committed to fighting illicit financial flows and tax evasion, which would require robust international cooperation. In addition, the Ethiopian Diaspora Trust Fund would harness the benefits of remittances for sustainable development programmes.

60. Nevertheless, resource constraints remained, such as rising debt which impeded the sustainable financing of national development programmes. The rapid deterioration of the external debt positions of developing countries required serious attention. It was important to design and implement coordinated national policy frameworks to address the growing debt and financial vulnerabilities of developing countries.

61. **Mr. Tiare** (Burkina Faso) said that, in the past few years, his country had reported favourable macroeconomic results that reflected the stability of its macroeconomic framework. However, social indicators measuring people's well-being had not significantly improved, particularly on the human development index, and the implementation of economic policies was being undermined by major challenges such as the deteriorating security situation, recurring terrorist attacks and social unrest. The prospects for economic growth nevertheless showed some resilience in the economy and the Government had been cooperating with IMF on an economic and financial programme to improve the country's long-term external position. Despite limited resources, the Government was striving to bolster security and meet its people's expectations by implementing the National Plan for Economic and Social Development for 2016–2020. To counter the spread of terrorism and organized crime, countries must work together at the regional and international levels to stem illicit financial flows.

62. Burkina Faso was facing an infrastructural deficit which further reduced its economic competitiveness. As current expenses took priority over capital expenditure, the funding of infrastructure was a challenge. However, the international community had several strategies for implementing sustainable development initiatives, including harnessing the full potential of international trade and consolidating the international financial system to promote sustained, inclusive and sustainable economic growth. Although financial needs were extremely high, global public and private savings should be sufficient provided the financial system was robust enough to intermediate capital inflows efficiently.

63. The Government's debt policy was aimed at maintaining a moderate-risk level. To that end, it favoured concessional financing and a measured

approach in the regional financial market. Non-concessional financing remained an option for financing the greatest number of high-impact projects with guaranteed returns. Promoting international cooperation to combat illicit financial flows remained an important prerequisite for ensuring stability and economic and social development. Member States must also step up their combined efforts to combat tax avoidance and tax evasion.

64. His Government remained concerned about the rise of protectionist measures and called for effective measures to end the fragmentation of the multilateral trading system, particularly its impact on developing countries. Similarly, with a view to mobilizing additional resources and taking advantage of innovative financing, international financial institutions should help to build the economic and financial capacities of developing countries. IMF should also have less stringent conditions for intervening in developing countries, in order to help them create sufficient fiscal space to fund infrastructure for the structural transformation of their economies.

65. **Mr. Fox-Drummond Gough** (Brazil) said that providing the necessary means of implementation could be the greatest imminent challenge for the 2030 Agenda. After a period of short growth, the global economy was showing signs of recovery and investment was on the rise. However, there were considerable political risks that needed to be addressed, including growing discontent with globalization and the adoption of self-centred national policies. Failure to deal with ongoing economic challenges such as rising inequalities within and among countries would further destabilize long-term development. The international community's duty was to ensure stability and predictability so that the pace of development remained steady even in times of economic and political uncertainty.

66. Trade was a fundamental means of financing for development and had been proven to increase the revenues of developing countries and expose them to competition and innovation, allowing for structural change. There were no winners in trade wars. Brazil was firmly committed to a rules-based international order with the United Nations, WTO and international law at its core.

67. Further steps must be taken to reform the global governance of the international financial system and increase the representation of developing countries. The recent World Bank Group capital increase would allow for continued work with all countries to achieve the Sustainable Development Goals. His Government looked forward to the IMF fifteenth General Review of Quotas and would continue working with its partners from Russia, India, China and South Africa (the BRICS countries) to strengthen multilateral institutions and ensure that they could fully address global challenges. The deteriorating external debt positions in many developing countries also required collective attention, as did the effects of current monetary adjustments.

68. **Mr. Amolo** (Kenya) said that his country had enjoyed continuous prosperity as a result of managing its economic fundamentals and supporting free markets and entrepreneurship. His Government had prioritized an agenda to enhance manufacturing, offer universal health coverage and affordable housing and safeguard food security and nutrition, thus providing regular citizens with enhanced social benefits. Kenya had decentralized services to its 47 counties through Huduma centres, which provided a wide array of government services at a single location in a non-bureaucratic and corruption-free environment.

69. Major foreign investment was essential for infrastructure development and the promotion of regional trade liberalization. Without investment in road and rail infrastructure, economies could not boom. His Government wished to build an interlinked network of roads, railways and information technology infrastructure in order to increase investments that would yield enormous benefits. At the same time, Kenya was prudently keeping its debt and obligations at sustainable levels in accordance with national legislation.

70. The African people's inability to move freely around the continent threatened economic prosperity because it obstructed the trade and exchange of goods. Facilitated access was necessary to enhance intra-African trade, which currently amounted to only 13 per cent. The Agreement establishing the African Continental Free Trade Area was therefore a positive development from which African countries would reap significant benefits. Those countries that had not yet signed the Agreement should do so.

71. However, the international economic environment had become extremely unpredictable and the rules-based system, which should be the cornerstone of promoting economic growth and prosperity, was under considerable assault. His Government had managed to establish rules that were inclusive and beneficial to all. At the global level, it wished to see an inclusive and equitable multilateral trading system under WTO, as well as meaningful trade liberalization.

72. Illicit financial flows critically impeded the success of economies and the achievement of the Sustainable Development Goals. The international

community needed to adhere to a set of rules to combat corruption at all levels. Commitments similar to those undertaken during the 2018 United Nations High-level Conference on Counter-Terrorism would enable Member States to combat illicit financial flows.

73. **Mr. Chinmoun** (Cameroon) said that the conditions under which the international trading system functioned were particularly inequitable: they destroyed local production and jobs, led to lower customs revenues, compounded the trade deficit and deprived States of the resources necessary to fund their development programmes. In order for international trade to be a driver for development, non-tariff barriers and trade-distorting subsidies contrary to WTO must be eliminated. His Government therefore encouraged the spread of joint initiatives, such as the African Growth and Opportunity Act and the Economic Partnership Agreements, on just and equitable terms. It also called for strengthening South-South cooperation and invited the General Assembly and UNCTAD to bolster the capacities of poor countries and their small and medium-sized enterprises in order to increase their productivity.

74. Inclusive international trade could help to generate the wealth needed to achieve the 2030 Agenda. His Government endorsed the main recommendations contained in the Secretary-General's report on the viability of foreign and development debt (A/73/180) and invited all stakeholders to work towards alleviating the debt of developing countries so that the resources thereby made available could be allocated to finance and implement their sustainable development programmes.

75. Following the publication of the Secretary-General's report on the international financial system and development (A/73/280), Cameroon was concerned about ongoing financial trends and practices. New derivative financial products contributed to widening the gap between financial instruments and more tangible and productive assets. Such financialization, outside the reach of effective monitoring, gave rise to speculative bubbles that made global economic growth unviable.

76. Humanity needed a more just and inclusive financial system, in which developed countries met their ODA responsibilities. Strengthening international financial cooperation and reforming global governance would serve not only to curb incentives to use financial instruments purely for speculative purposes, but also to finance the 2030 Agenda in line with the Addis Ababa Action Agenda.

77. His country was experiencing the negative effects of illicit financial flows, which undermined good governance, contributed to environmental degradation, distorted income distribution and reinforced inequalities. The fight against corruption, tax evasion and illicit financial flows was one of the main focuses of national development policy. Although his Government had taken many positive steps in that regard, continued support would be required from the international community and multilateral institutions such as the Economic Commission for Africa and the African Union.

78. **Mr. Gertze** (Namibia) said that his country was maintaining its momentum to achieve the Sustainable Development Goals and targets. However, as the economy of Namibia was dependent on natural resources, it was not immune to external price shocks characterized by falling commodity prices. To fill the current financing gap, a more efficient and robust tax system had been put in place. The Government was also promoting value addition and diversification of the economy towards labour-intensive sectors.

79. Despite some signs of global economic recovery, there were concerns that increasing protectionist measures, unilateral economic sanctions, debt vulnerabilities and an escalation of geopolitical tensions might not only disrupt development progress, but even prevent the achievement of Goal 1. To avoid that outcome and, in particular, to reduce the risk of relapsing into another debt crisis, debt relief assistance must continue to be extended to developing countries. It was also important to explore the appropriate means and instruments for achieving manageable levels of debt.

80. Namibia practised economic openness on a regional level and believed that a revitalized global partnership was of the utmost importance alongside a universal, rules-based, open, transparent, predictable, non-discriminatory and equitable multilateral trading system under WTO. Regulatory gaps in the international financial system must be addressed to avoid a severe crisis that could have a serious impact on the economies of developing countries. Integrated national sustainable development strategies and financing frameworks that informed policies and plans must also be developed. Moreover, the unfair, outdated, discriminatory and counterproductive economic and financial embargo against developing countries must be lifted. In order to achieve the Sustainable Development Goals new financing ideas, knowledge and technologies needed to be shared among all States.

81. **Ms. Kalamwina** (Zambia) said that, like other countries, Zambia had been showing signs of recovery since the middle of 2017. However, that positive growth could easily be undermined by trade tensions between

the major economies, protectionist policies, conflicts, climate change and financing challenges.

82. In response to its recently completed debt sustainability analysis, her Government had embarked on legislative reforms to strengthen parliamentary oversight of debt and taken a number of measures to bring the level of debt risk down from high to moderate. It was also implementing new public finance legislation to stop illicit financial flows and was using technology to encourage compliance with tax obligations.

83. Zambia was promoting financial inclusion through its financial sector development policy and national financial inclusion strategy. She called for accelerated implementation of the Addis Ababa Action Agenda and pledged her country's commitment to turn adversity into opportunity by diversifying its economy and empowering its people.

84. **Ms. Sarrestani** (Islamic Republic of Iran) said that for trade to truly function as an instrument of development, it needed to be inclusive and accessible to all. The multilateral trading system was undergoing a crisis that demanded constructive cooperation rather than unilateral approaches. In that context, it was important to uphold a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributed to growth and sustainable development, particularly for developing countries.

85. Her country had been facing unjust targeted sanctions that had created some problems for the Iranian economy but which had far more destructive implications for the international financial and economic system. It would resist such irresponsible unilateral sanctions and urged Member States to fully implement their commitments towards each other despite the current pressures.

86. Iran shared the favourable view of multilateralism that had prevailed among developing countries at the recent session of the Trade and Development Board held in Geneva in June 2018, and accordingly urged UNCTAD to ensure safeguards against unilateral measures. As an applicant for membership in WTO, her country hoped that the accession process would be accelerated and free of political impediments.

87. **Ms. Daud** (Malaysia) said that heightened uncertainty, protectionism and conflict were exacerbating the development divide. The report of the Secretary-General on international trade and development (A/73/208) had noted the geographic scope of the global trade downturn of 2015–2016 and its disproportionate impact on developing countries. The proper venues for addressing such imbalances were the United Nations and WTO, the latter being the global custodian of multilateral trade. Developed States should play a greater role in assisting developing States, particularly least developed States, to overcome the obstacles they faced in implementing the 2030 Agenda.

88. Malaysia had one of the most open economies in the world, with a high trade to GDP ratio that was instrumental in job creation and income growth. Her country supported South-South cooperation and was committed to sharing its experience and expertise to help least developed countries overcome their capacity constraints. Although densely populated, developing countries had resources that could be used to leverage the global economic and development agendas.

89. **Mr. Gimenez** (Norway) said that his country would continue to allocate around 1 per cent of its GDP to ODA, well above the 0.7 per cent target, but there were additional forms of financing to be unleashed that could far exceed ODA. Resource mobilization spurred by private-sector growth would be decisive, especially with reformed tax systems that put a stop to base erosion and profit shifting. During the current session's high-level segment, his country had co-chaired with Nigeria a side event on illicit financial flows, which syphoned many times the volume of ODA away from development every year.

90. An open, rules-based, multilateral trading system was good for all, and greater use should be made of trade as an instrument for integrating the poorest countries into the global economy. Initiatives must also be safeguarded that restored debt sustainability in developing countries, in order to avoid a repeat of past debt crises. Growth should be inclusive, especially for the half of the population that were women. It was time to follow through on the vision of Addis Ababa.

91. **Archbishop Auza** (Observer for the Holy See) said that the Secretary-General's reports on a number of macroeconomic questions had highlighted two sobering realities. The first was that for most developing countries, the positive economic growth trends experienced in 2017 could be quickly reversed. The second was that the least developed countries, and in particular the small island developing States, remained particularly vulnerable to economic downturns and climate change.

92. The Secretary-General's report on international trade and development (A/73/208) showed that the target under Sustainable Development Goal 17 of doubling the least developed countries' share of global exports by 2020 was being jeopardized by protectionist measures. Until sufficient time had been allowed to put in place the structural changes needed to reduce

vulnerability to external price shocks, the least developed countries should be given duty-free and quota-free market access as provide for by target 12 of Goal 17.

93. The Secretary-General's report on the international financial system and development (A/73/280) stressed the need for a cooperative international environment that minimized volatility in private capital flows and supported the national policies of developing countries in an international enabling environment. A paradigm shift was needed that recognized the inability of market forces to adequately safeguard common goods, such as decent jobs and the environment. The financial crisis of 2007–2008 had provided a good opportunity to formulate new criteria that fostered human development, social inclusion and equity, and addressed the need to regulate speculative financial practices and virtual wealth.

94. **Ms. Mucavi** (Food and Agriculture Organization of the United Nations (FAO)) said that international trade had the potential to help countries adapt to climate change by reallocating food from surplus to deficit regions, but that would not happen automatically. Agricultural trade would be particularly important for countries vulnerable to increasing temperatures and extreme weather events. The latest edition of the FAO publication *The State of Agricultural Commodity Markets* happened to focus on the connections among agricultural trade, climate change and food security. It showed how trade could help balance food deficits and surpluses across countries, absorb domestic supply and demand shocks, and contribute to domestic and international price stability.

95. The FAO report also showed that agricultural trade had almost tripled in value over the previous 15 years, reaching 1.6 trillion dollars in 2016, a significant proportion of which was accounted for by South-South trade. Even so, population and demand growth in least developed countries had outpaced productivity growth, forcing many least developed countries to become net importers. Productivity continued to be hindered by poor infrastructure, weak institutions, climate change and limited access to technology, finance and markets. An end to hunger and malnutrition could only be achieved by making agriculture more sustainable, providing protection to the most vulnerable countries and maximizing the contribution of trade.

96. **Mr. Carvalho Pinheiro** (International Labour Organization (ILO)) said that the global economic recovery had not yet translated into gains in the labour market. Though unemployment was stable, decent work deficits remained widespread and vulnerable employment was on the rise, and the pace of reduction in working poverty had slowed. Going forward, globalization, demographic transition, climate change and technological progress would all affect the ability of countries to achieve full and productive employment as called for in Sustainable Development Goal 8, which ILO had estimated would require the creation of 600 million jobs over the next 15 years. Labour-saving technologies were working against employment generation, while part-time employment was increasing, especially among women. Ensuring equality, inclusion and income security would require policies that took into consideration the evolution of the world of work. As ILO prepared to begin celebrating its one hundredth anniversary in 2019, it had established a Global Commission on the Future of Work, which would be delivering its first report in January 2019.

97. **Ms. Hordosch** (United Nations Entity for Gender Equity and the Empowerment of Women (UN-Women)) said that Member States had repeatedly reaffirmed their commitment to gender equity and recognized the need for significantly increased investments to close resource gaps. While macroeconomic policy, including fiscal and monetary policy, was often thought of as gender-neutral, gender inequality persisted in access to finance, technology, public services and decent jobs, among other areas. Reduced social spending and public service cuts could increase the unpaid care and domestic work performed by women, shifting the provision of care disproportionately to them. Trade liberalization could have a negative effect on women's employment in sectors where they were overrepresented, such as agriculture.

98. Effective revenue collection combined with effective public service delivery could boost the connection between people and Governments. Tax systems and tax policy were powerful tools that could be used to address gender inequality. To that end, the tax policies and tax mix adopted by Governments could be structured in a way that was progressive and designed to reduce implicit and explicit gender bias.

99. UN-Women was assisting countries in making their tax and spending policies more responsive to women and girls, which could strengthen coherence between government budgets and gender equality objectives. Developing comprehensive systems to track to what extent budget allocations were matched to priority actions and supported national efforts to address gender gaps was important for fulfilling policy commitments.

100. To fulfil its catalytic potential, ODA must be aligned with national gender equality action plans,

which required mainstreaming a gender perspective throughout all areas of development cooperation and targeting the multiple forms of inequality and discrimination faced by women and girls. A macroeconomic policy approach that systematically incorporated gender equality was central to achieving sustainable development that delivered for all.

The meeting rose at 5.40 p.m.