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Held at Headquarters, New York, on Thursday, 10 October 2019, at 10 a.m.

Chair: Mr. Niang .... (Senegal)
later: Ms. Beshkova (Acting Vice-Chair) .... (Bulgaria)

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The meeting was called to order at 10 a.m.

Agenda item 17: Macroeconomic policy questions

(a) International trade and development (A/74/15 (Part I), A/74/15 (Part II), A/74/221 and A/74/264)

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

Agenda item 18: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (A/74/87–E/2019/71 and A/74/260)

1. **Mr. Gaffey** (President of the Trade and Development Board, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Trade and Development Board (A/74/15 (Part I) and A/74/15 (Part II)), said that with the multilateral trading system facing a crisis of trust, it was no longer enough merely to reaffirm multilateralism. International cooperation needed to be rethought and the system and its institutions modernized. Ongoing discussions at UNCTAD had recognized the dangerous disconnect between contemporary realities and contemporary multilateral institutions.

2. The fifteenth quadrennial session of UNCTAD, scheduled for October 2020, would present an opportunity to reflect on the future of world trade. In September 2019, UNCTAD had convened the first ever United Nations Trade Forum, which had focused on the concerns of small island developing States, the blue economy and biodiversity, and the trade-related targets of Sustainable Development Goal 14 on conservation and sustainable use of the oceans. In the course of the Forum, the Prime Minister of Barbados had delivered the sixteenth Prebisch lecture sponsored by UNCTAD, in which she had stressed that climate change was a lived reality for small island developing States and reiterated the need for a reinvented international order aimed at building resilience, safeguarding the environment and mitigating impacts.

3. In June 2019, the high-level segment of the sixty-sixth session of the Trade and Development Board had focused on inequality as a drag on reducing poverty. In October 2019, the sixty-eighth executive session of the Board had examined how global tensions and unilateral trade policies affected not only the trade outlook, but also the institutions and mechanisms of government. That session had considered a number of UNCTAD reports, including the *Trade and Development Report 2019: Financing a global green new deal*, which proposed a series of reforms to make debt, capital and banks work for development and to tackle climate change. Member States had discussed what type of financial support would be required to help developing countries leapfrog carbon-intensive development paths. At that session, the Board had also discussed the *World Investment Report 2019*, with a focus on how to transform special economic zones from privileged enclaves into sources of widespread benefits. The Board had also considered the findings of UNCTAD in its publication entitled *SDG Investment Trends Monitor*, as well as in its *Economic Development in Africa Report 2019* and in its *Digital Economy Report 2019*. Member States had also discussed the assistance provided by UNCTAD to the Palestinian people. The executive session had submitted a recommendation to the General Assembly to approve the convening in 2020 of an eighth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

4. **Ms. Coke-Hamilton** (Director of the Division on International Trade and Commodities, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on international trade and development (A/74/221) and the report of the Secretary-General on world commodity trends and prospects (A/74/232), said that global tensions and unilateral trade policies were posing a challenge to the global trade outlook. Although trade growth had been strong overall for 2018, it had slowed during the second half of that year, and policies guided by national self-interest rather than the collective good did not augur well for the future. Statistics suggested that bilateral tariffs, such as those stemming from the trade war between the United States of America and China, had not succeeded in protecting domestic markets, but merely in diverting the benefits of international trade to third countries. They also jeopardized the global and regional value and supply chains on which developing countries relied. Her division's research had also shown that the withdrawal of the United Kingdom from the European Union could have a severe impact on developing countries.

5. Progress over the previous few decades in poverty reduction, economic growth and trade expansion had benefited the global South, but that had come with a 400 per cent increase in carbon emissions. Mitigation and adaptation to the anticipated 1.5°C temperature increase would cost trillions of dollars annually. Small island developing States accounted for less 1 per cent of global emissions, yet they were the most vulnerable to climate change. The concerns of small island developing States had been the focus of the United Nations Trade Forum held in September 2019 and would be a critical issue on the agenda of the UNCTAD quadrennial session scheduled for 2020. Over half of the international fish and seafood trade originated in developing countries. A healthy oceans economy was critical to small island States and coastal communities, but the issue of overexploited fish stocks and harmful fish subsidies needed to be addressed.

6. Growth in international trade had reduced inequality among countries but had increased inequality within countries. The benefits of trade needed to be distributed in a more inclusive fashion if a backlash were to be avoided. There was also a regional imbalance. Asia's share of global trade had more than tripled between 1964 and 2018, but growth in Latin America and Africa had been stagnant, and the share of least developed countries in global trade had been less than 1 per cent for five years running. The key to correcting the imbalance was reducing commodity dependence and promoting diversification. The value chain for exports from least developed countries needed to be redesigned to allow those countries to retain a larger share of profits.

7. **Mr. Hanif** (Director, Financing for Sustainable Development Office, Department of Economic and Social Affairs), introducing the report of the Secretary-General on follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (A/74/260), said that the report synthesized the findings of the first four reports of the Inter-Agency Task Force on Financing for Development. Among its conclusions were that public and private financing were complements and not substitutes. Sustainable financing required a long-term perspective, and the quality of investment was as important as the amount. The recent High-level Dialogue on Financing for Development had highlighted the need for impact alongside the need for scale. There were serious systemic challenges that needed to be addressed in order to align the trading and financial systems with the 2030 Agenda for Sustainable Development.

8. The current environment posed challenges to implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. Global growth had slowed, while trade tensions and geopolitical risks had increased. Debt risks were rising and the challenge of climate change was intensifying. On the other hand, interest in sustainable investing was growing and investors were increasingly taking environmental and social risks into consideration. Technological advances had the potential to facilitate progress on the Sustainable Development Goals, but they came with new risks to which both national and global development policies needed to adapt. The same factors that were putting a strain on the multilateral system could also be seen as opportunities to reshape that system.

9. Introducing the report of the Secretary-General on the international financial system and development (A/74/168), he said that the report summarized efforts to implement the Addis Ababa Action Agenda over the previous year and noted a number of troubling signs. Indicators pointed to economic slowdowns in systemically important developed countries. The resulting loosening of monetary policy had reduced the risks of short-term capital outflows but heightened medium-term vulnerabilities, particularly with respect to debt burdens. Financial systems continued to fail to allocate adequate resources for long-term development needs. The rapid growth of financial technology and the rapidly expanding use of cryptoassets highlighted the need for regulatory frameworks to balance innovation, access to financial services and risk management. The international community should continuously examine whether its institutions remained fit for purpose, and should build on the momentum generated by the High-level Dialogue to ensure the financing necessary to achieve the Sustainable Development Goals.

10. **Ms. Blankenburg** (Head of the Debt and Development Finance Branch, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on external debt sustainability and development (A/74/234), said that the macroeconomic effects on developing economies of weakened growth in some advanced economies had implications for developing country debt sustainability. Recent optimistic forecasts by some international organizations had been largely propelled by accommodative monetary policies and financial deregulation, particularly in the United States. UNCTAD estimated that global debt stocks were in excess of $200 trillion at the end of 2017, which was $50 trillion higher than at the height of the 2008 global financial crisis. Some two thirds of that global debt

stock were private. Rather than promoting productive and inclusive growth, private credit tended to be concentrated in speculative activities and channelled through shadow banking. Private indebtedness had increased from 79 per cent of gross domestic product (GDP) in 2008 to 139 per cent of GDP in 2017. Debt vulnerabilities in some developing countries were further exacerbated by climate change-related disasters and volatile commodity prices.

11. In 2018, the external debt positions of developing countries had continued to worsen. The shift in debt ownership away from long-term public creditors and towards short-term private holdings had continued, as had the shift away from commercial banks and towards higher-risk bond financing. Short-term credit had doubled from around 15 per cent of developing country external debt in 2000 to almost 30 per cent by 2018.

12. Debt in small island developing States had undergone a 200-fold increase between 2000 and 2018. Much of that debt reflected the effects of natural disasters, which created a vicious cycle of repeated borrowing and burdensome debt servicing that drained funds away from climate-change mitigation. Low-income countries excluding small island developing States had doubled their external debt stocks between 2009 and 2018. Increases in those countries' private debt reflected reduced access to concessional public financing because of their accelerated integration into international financial markets.

13. Since 2009, the annual growth rate in the debt of middle-income developing countries had more than tripled compared with the period 2000–2009, with a shift towards private credit, shorter maturities and more oppressive debt service. Structural stagnation in middle-income countries was compounded not only by the sluggish growth of the global economy, but also by the haphazard integration of their evolving productive and financing structures into international financial markets. For high-income developing countries, external debt stocks had doubled since 2009, while exposure to short-term and private non-guaranteed long-term debt had increased. Developing countries across all income categories would be unable to meet the investment requirements of the 2030 Agenda without increasing their debt vulnerabilities. Debt transparency was one among many issues that need to be addressed by the international community if a deeper debt crisis in developing countries was to be averted.

14. **Mr. Kawamura** (Senior Economic Affairs Officer, Economic Analysis and Policy Division, Department of Economic and Social Affairs), introducing the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/74/264), said that the number of unilateral coercive measures against developing countries had continued to rise despite the call by the General Assembly for their elimination. Unilateral economic measures had unintended adverse impacts on human rights and public welfare. All 17 of the Member States that had responded to the survey conducted in 2019 by the Department of Economic and Social Affairs, as well as the European Union and the two United Nations regional commissions that had responded, were opposed to unilateral measures. The respondents that were themselves targets of unilateral economic measures had reported adverse impacts on health, education and infrastructure, with the most vulnerable segments of the population bearing the brunt. Among other things, such measures interfered with achievement of the Sustainable Development Goals. Economic sanctions should be imposed only in accordance with the Charter of the United Nations.

15. **Mr. Abushawesh** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that it was undeniable that international trade was an engine for inclusive economic growth, poverty eradication and development. The Group wished to stress the principle of special and differential treatment for developing countries to facilitate their integration into the multilateral trading system and the fulfilment of World Trade Organization (WTO) obligations.

16. The Secretary-General's report (A/74/221) had warned of the negative impacts of slowing growth, unilateral measures, trade disputes and bilateral trade deals motivated by short-term interest. The Group reaffirmed the need for a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system. Unilateral coercive economic measures should be eliminated immediately. The Group also emphasized the importance of improving investment and financing in sectors critical to the implementation of the 2030 Agenda and urged the private and public sectors to take steps to address the Sustainable Development Goal investment gaps. Developed countries should step up technology transfer, capacity-building and financing for developing countries and take measures to prevent the accumulation of unsustainable debt.

17. The decline in correspondent banking relationships was hampering efforts to reduce the costs of trade finance and remittances. There were reasons to doubt the capacity of the current multilateral architecture to address such global challenges. Greater international coordination and policy coherence was

required to enhance financial and macroeconomic stability. The Group was concerned about the continued lack of a single inclusive global forum for tax cooperation and reiterated its call for the Committee of Experts on International Cooperation in Tax Matters to be upgraded to an intergovernmental body. Safe havens that created incentives for the transfer abroad of stolen assets or illicit financial flows should be eliminated.

18. Many commodity-dependent developing countries remained vulnerable to price fluctuations. Efforts should therefore be pursued to diversify economies and to improve the regulation, efficiency, responsiveness and transparency of national, regional and international financial markets. The Group recognized financial inclusion as an enabler of development and stressed the importance of promoting financial literacy, consumer protection and the use of financial technology to meet the Sustainable Development Goals. So far, there had been insufficient action at the global, regional and national levels to increase both availability of and access to private financing for development.

19. **Mr. Koba** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN continued to promote complementarities between the ASEAN Community Vision 2025 and the 2030 Agenda. Despite a challenging global environment, ASEAN aggregate growth had remained at 5.2 per cent in 2018, the same as in 2017. There had also been strong performance in trade and investment in the first half of 2019, although growth was expected to be more modest in 2019 and 2020.

20. A stable and conducive macroeconomic environment was necessary to complement countries' sustainable development efforts. ASEAN continued to advance regional economic integration and enhance regional resilience, in line with the ASEAN Economic Community Blueprint 2025. It remained committed to an integrated ASEAN to strengthen growth and financial stability in the region, amidst heightened uncertainties.

21. International trade and investment were important engines for growth and development. ASEAN continued to expand its economic partnerships, though, inter alia, the Regional Comprehensive Economic Partnership negotiations. It also continued to implement reforms and was progressively reducing or eliminating investment restrictions in order to help sustain the flow of foreign direct investment into the region. The existing trade tensions between the region's major trading partners were a matter of deep concern; an open, transparent, inclusive and rules-based multilateral trading system, governed by WTO, was essential.

22. Sustainable development partnerships and cooperation were crucial. In that regard, ASEAN had drawn up a road map to guide action in order to capitalize on the complementarities between the ASEAN Community Vision 2025 and the 2030 Agenda, which would yield benefits for the people of the region. Committed to strengthening partnerships for sustainable development between ASEAN regional organizations and United Nations regional commissions and other international organizations, ASEAN looked forward to the launch of the ASEAN Centre for Sustainable Development Studies and Dialogue, in Bangkok, in November 2019.

23. Sustainable finance played a crucial role in improving ASEAN countries' economic efficiency, prosperity and competitiveness, while protecting ecosystems and enhancing cultural diversity and social well-being. ASEAN was moving towards greater financial inclusion in the region, in spite of inadequate regulations and infrastructure. Cognizant of the external risks present in such a move, it was prepared to put the appropriate policies in place to sustain growth and protect the stability of its financial system.

24. *Ms. Beshkova (Bulgaria), Acting Vice-Chair, took the Chair*.

25. **Mr. Caballero Gennari** (Paraguay), speaking on behalf of Group of Landlocked Developing Countries, said that international trade was vital for landlocked developing countries, which depended more heavily on trade than other developing countries. Despite the rebound in international trade in 2017 and 2018, increasing international trade tensions were threatening multilateral trade cooperation under a rules-based system, and landlocked developing countries' share of global exports was decreasing. The exports of landlocked developing countries now accounted for less than 1 per cent of all global exports, and many of those countries were experiencing persistent trade deficits. Member States should address the marginalization of landlocked developing countries, including through the effective provision of Aid for Trade. The Group applauded the May 2019 entry into force of the Agreement Establishing the African Continental Free Trade Area, which should boost trade among landlocked developing countries in Africa.

26. WTO member States should provide landlocked developing countries with the support they needed to determine their technical assistance needs, with a view to the full implementation of the WTO Agreement on Trade Facilitation, and the June 2020 WTO Ministerial Conference must deliver meaningful outcomes for them. At the same time, development partners should support

the efforts of landlocked developing countries to diversify their economies and add value to their products as a means of addressing fluctuating commodity prices. While new technologies and the digital economy presented bountiful opportunities, they could also widen the digital gap unless such challenges as limited research and development spending and a lack of access to affordable information and communications technology infrastructure were addressed.

27. Further progress on implementation of the Addis Ababa Action Agenda was needed. While welcoming the increase in official development assistance (ODA) between 2014 and 2017, the Group called on all development partners to honour their ODA commitments, as ODA was one of the primary sources of external development finance for many landlocked developing countries. Foreign direct investment flows to landlocked developing countries continued to fall; their ability to attract and retain investment therefore must be enhanced. The landlocked developing countries should also be given special attention in the follow-up and review of the implementation of the Addis Ababa Action Agenda, and the international community should strengthen support for them, in the form of ODA, South-South and triangular cooperation, foreign direct investment, and technical and capacity-building assistance.

28. **Mr. Ligoya** (Malawi), speaking on behalf of the Group of Least Developed Countries, said that growing trade tensions among major global trading partners, rising debt levels and the high incidence of climate-induced disasters were placing enormous strains on the fiscal space of the least developed countries. Moreover, the number of global partnerships was dwindling. Trade volatility was harming the least developed countries, whose share of global exports had been less than 1 per cent in 2018: it looked unlikely that they would achieve the target of accounting for 2 per cent of global exports by 2020. Trade volatility was also hampering the functioning of WTO and its dispute settlement mechanism. The international community must fulfil its commitment to provide duty-free and quota-free market access for all least developed countries' goods and services, adopt a transparent and simple rules of origin and scale up capacity-building in the areas of trade, product diversification, value addition and the services waiver.

29. The least developed countries' debt service to export earnings ratio was unsustainable and required international policy actions such as debt relief, debt transparency and increased ODA, in addition to domestic resource mobilization. In that context, the Committee should seriously consider the establishment of an international framework for restructuring sovereign debt. It was a matter of deep concern that total ODA from the Development Assistance Committee countries of the Organization for Economic Cooperation and Development had decreased in real terms in 2018, and that the number of countries providing 0.15 per cent or more of their gross national income as ODA to the least developed countries had fallen, from six to five. While international capital inflows played a key role, they were short-term and volatile, and not conducive to improving macroeconomic stability. Long-term capital inflows into the least developed countries needed to increase. According to the United Nations Capital Development Fund, only 7 per cent of existing blended finance reached the least developed countries. The prevailing myths regarding the risks of investing in those countries must be debunked. Lastly, the Committee must address illicit financial flows, which significantly impacted the least developed countries.

30. **Mr. Rattray** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that developing countries continued to face growing demands to increase public investment and mobilize financing for the 2030 Agenda, but the high debt burden of many hindered their ability to do both. In 2018, the Institute of International Finance had estimated that global debt stocks would reach $247.2 trillion by the end of March 2018. Such record levels of global debt would harm developing countries, particularly upper-middle-income countries.

31. In addition to the impact of high levels of debt, many small island developing States, most of which were middle-income countries, faced additional constraints arising from their growing vulnerability and exposure to natural disasters and exogenous economic shocks. Those were exacerbated as a result of the composition of their total debt, based on their income levels. The evolution of debt for middle-income countries differed enormously from that of low-income countries. The private non-guaranteed debt of small island developing States, as middle-income countries, had increased dramatically: from $900,000 in 2000 to a peak of $4.3 billion in 2018. The lack of access to concessional financing resulting from graduation from the low-income category forced CARICOM countries to resort to the volatile international capital market, through more expensive sovereign bond issuance, in order to meet their development financing needs. A coherent multilateral approach to debt sustainability, investment in public infrastructure and long-term financing of disaster risk and climate action were necessary. The nature of the looming debt crisis indeed required an urgent policy response, which must include

targeted Sustainable Development Goals-related debt relief. It was high time to establish a sovereign debt restructuring mechanism.

32. Development finance, including blended finance, was indispensable to the achievement of the Goals. The approach to development must meet the needs of vulnerable populations, wherever they resided, and address persistent levels of poverty and inequality. The Committee must give thorough consideration to the vulnerability posed by unsustainably high debt burdens.

33. Although CARICOM countries were poised for economic transition, their potential was constrained by having to choose between high external debt repayment and catalytic growth spending, a matter that must be addressed if they were to mobilize adequate resources for implementation of the 2030 Agenda. While international trade was one of the most important drivers of economic growth for developing countries, the internal and external challenges facing CARICOM countries constrained their ability to make the most of the international trading system as a tool for development.

34. **Ms. Lindo** (Belize), speaking on behalf of the Alliance of Small Island States (AOSIS), said that small island developing States were concerned by their rising debt levels and debt-to-GDP ratios. The recommendations made by the Intergovernmental Group of Experts on Financing for Development, including on the need for financing initiatives that addressed the barriers to structural transformation that many middle-income countries faced, and the need for creditors to provide additional flexibility to developing countries affected by natural disasters, were issued against the backdrop of an increasingly challenging global environment, with low global economic growth and investments nowhere near adequate to support achievement of the Sustainable Development Goals.

35. Securing financing in the aftermath of a crisis was considerably easier than securing predictable, long-term financing for development. ODA to many AOSIS members was decreasing, and access to concessional financing was still awarded on an income-only basis. Climate change was not a threat for small island developing States, it was already their reality. Families, homes and livelihoods were at stake. Yet, it was estimated that every dollar spent on adaptation yielded a four-fold return in avoided damages: climate action made business sense.

36. Small island developing States were vulnerable economies, reliant on one or two industries and with largely underdeveloped transport connectivity. Every year, United Nations outcomes and papers recognized the challenges those States faced and proffered potential solutions, but action was lacking. The gaps must be filled.

37. **Ms. Gomes Monteiro** (Cabo Verde), speaking on behalf of the Group of African States, said that despite the growth in trade among developing countries in 2018, the share of Africa in global trade remained critically low. Mindful of challenges, the Group remained committed to the economic integration of the continent. The African Continental Free Trade Area had entered into effect on 30 May 2019, and was expected to soon cover more than 1.2 billion people and $3 trillion in GDP. It should strengthen product value chains and spur infrastructure and socioeconomic development, increasing the overall welfare of the people of Africa. The Group called on the international community to support the longevity and success of the Free Trade Area, which depended on quality data and policy recommendations, improved preferential access to the international market, technology transfer, investment in key sectors, debt restructuring and infrastructure development.

38. To decrease vulnerability in the face of fluctuating commodity prices and external market shocks, the Governments of African countries had established a commodity strategy that would guide the formulation and implementation of policies for the development and management of the continent’s natural resources.

39. Illicit financial flows contributed to the accumulation of unsustainable debt in African countries. The severe impacts of practices that enabled companies to divert their profits to tax havens made the recovery and return of revenue from illicit financial flows vital. The Committee should intensify its efforts to combat such flows in all their forms. The Group also called on the international community to support African efforts to track, stop and secure the repatriation of illicit revenue streams.

40. Africa must anchor its development on long-term, responsible and impactful investment, including foreign direct investment, in critical sectors. Investment in human capital was also critical to accelerate industrialization, which was necessary for the continent’s structural transformation and economic development. Furthermore, a healthy and stable macroeconomic framework was essential for the continued sustainable development of the continent. To establish and maintain such a framework, multilateral initiatives must address both the unsustainable debt of many African nations, and the growing gap between needs and available development financing.

41. The criteria for the allocation of predictable financing must be redefined in an open, transparent process. The Group called on the international community and multilateral financial institutions to take the steps necessary to prevent the recurrence of unsustainable debt on the continent. Moreover, financially inclusive models could support economic growth and the achievement of broader development goals. As such, the Group was particularly interested in improving access to digital finance, and sought assistance from development partners in that regard.

42. The Group called on the Committee to deepen its analysis of the effects of climate change on international macroeconomic stability and growth, and help to minimize countries' exposure to environmental risks. Lastly, the Group wished to reiterate the critical nature of international public finance, including innovative financing, as a complement to countries' domestic resource mobilization.

43. **Mr. Jamiru** (Sierra Leone) said that as the world grappled with complex challenges to global trade and economic growth, the implementation of the Addis Ababa Action Agenda remained essential. His Government was firmly committed to leveraging domestic resources to finance the Sustainable Development Goals and had initiated several reforms to that end, including expanding social services, decentralizing service delivery and encouraging public-private partnerships. It had also launched a new national development plan for the period 2019–2023, as well as a results-based implementation plan for both the 2030 Agenda and Agenda 2063: The Africa We Want.

44. A comprehensive development finance assessment had been conducted to enable the Government to respond to the decrease in traditional sources of financing, including ODA, and to identify options for bridging the $1.5 billion funding gap facing its development plan . The Government would also work with the International Monetary Fund and the International Finance Corporation to prepare an integrated national financing framework, which would enable it to identify potential sources of financing. The three primary options identified thus far involved ensuring effective and efficient management of public finance, promoting private sector investment in public sector projects, and maintaining and improving the quality of development cooperation.

45. The Government had prioritized the development of information and communications technology to facilitate the expansion of financial and other services across the country; that was reflected in mobile companies' expansion of their networks.

46. **Mr. Chumakov** (Russian Federation) said that despite the gradual growth seen in the global economy in recent years, the existing model of economic relations was clearly in crisis. While multilateral trade was a major engine for growth, unfortunately multilateral trade cooperation was being constrained by trade wars and unilateral restrictive measures that were frequently used by a number of countries to obtain concrete advantages. In that context, there was a pressing need to strengthen the multilateral trading system by promoting a universal, open, non-discriminatory and fair trading system under WTO. His delegation therefore welcomed the initiatives to reform and modernize WTO.

47. The world was becoming multipolar, new centres of economic growth were emerging and the role of regional currencies was also growing. Those changes necessitated a reform of the international financial organizations, their adaptation to new realities and a rethinking of the role of the dollar, which, having become the global reserve currency, was now being used by the issuing country as an instrument for exerting pressure on the rest of the world.

48. Integrated associations were a key tool for economic growth. In that regard, the Eurasian Economic Union had helped to strengthen cooperation amongst its members in order to accelerate development and the adaption of their economies to changes in global economic conditions. The Union now encompassed an area with a population of over 180 million. His Government remained committed to building a greater Eurasian partnership, which would bring together organizations such as the Eurasian Economic Union, the Shanghai Cooperation Organization and ASEAN, as well as other Eurasian States, including European Union member States.

49. In the light of worrying trends, such as developing countries' accumulation of excessive debt and disparities both within and among countries and regions, the international financial institutions and the Group of 20 should ensure that their initiatives, including to increase the transparency of data on the indebtedness of developing countries, supported the creation of a comprehensive financial security system. International organizations must prioritize stabilizing commodity markets and ensuring food security, in order to assist developing countries, especially the least developed countries, and implement the Addis Ababa Action Agenda and the 2030 Agenda.

50. Having gradually increased its contribution for the achievement of sustainable development, the Russian Government had allocated a total of $1.36 billion for that purpose in 2018. In that year it had also provided

preferential tariffs for goods originating in developing and least developed countries, which amounted to more than $128 million in aid. Over the last 15 years, Russia had written off more than $20 billion in debt for African countries. The Government was also taking meaningful sustainable development action nationwide, with the result that the country had risen to thirty-first place in the “Ease of doing business” ranking of the World Bank, to be found in its publication *Doing Business 2019*.

51. **Mr. Latrous** (Algeria) said that developing countries needed to significantly increase their spending on areas including education, health and infrastructure, in order to achieve the Sustainable Development Goals. Developed countries must meet their ODA commitments, and the international community, international institutions and the private sector must support developing countries with aid that was aligned with their national objectives and strategies.

52. The private sector had an important part to play in the implementation of the 2030 Agenda: it must begin to prioritize long-term development as well as short-term profit. Domestic resource mobilization was also critical; as such, the international community, and the Second Committee in particular, should redouble their efforts to combat illicit financial flows and tax evasion. Developing countries’ debt vulnerability must also be addressed, as debt restricted the capacity of countries to implement the 2030 Agenda.

53. Since 2015, Algeria had been making progress on the 2030 Agenda. For example, the Government had reduced poverty and infant and maternal mortality, it provided universal primary education for all children and over 31 per cent of parliament was now female. Significant advances had been measured by the human development index, with life expectancy in Algeria having increased by 16.6 years and years of schooling by 5.8 years. Unfortunately, there was no “silver bullet” to solve the puzzle that was development financing: stakeholders must combine all means available to maximize their impact for the achievement of the Sustainable Development Goals.

54. **Mr. González Peña** (Cuba) said that the international environment continued to constrain the right to development of most countries of the South, a condition made worse by the current weakening of the international framework. Implementation of the 2030 Agenda and the Addis Ababa Action Agenda would only be possible if there was the political will to mobilize additional, predictable and unconditional financing so that developing countries could achieve their development targets. For years the developing countries had been pointing out that very few developed countries had met their ODA targets, and for years resources that were needed for the implementation of the 2030 Agenda had been wasted on war and the military industry. Structural changes to the international economic, commercial and financial systems were needed, and developing countries must begin to play a greater part in global financial governance.

55. Cuba supported foreign debt relief, and called for a fair, balanced and development-oriented multilateral mechanism for the restructuring of sovereign debt. The current multilateral trading system must be strengthened and reformed and must be rules-based, open, transparent, inclusive and non-discriminatory, with all developing countries receiving special and differentiated treatment. Unilateral, discriminatory and protectionist international trade policies, in particular those of the United States, hindered the development of developing countries and undermined multilateralism. The use of unilateral coercive economic measures to exert pressure on developing countries was incompatible with the Charter of the United Nations and violated countries’ right to development.

56. The economic, commercial and financial embargo imposed by the United States on Cuba was the main obstacle to his country’s development, the achievement of its macroeconomic policy goals and the implementation of the 2030 Agenda. The harm caused by the embargo had worsened in 2019 with the activation of Title III of the Helms-Burton Act, the sweeping extraterritorial implications of which many countries rejected. The embargo prevented Cuba from establishing normal trade, financial or investment relationships with other countries; accessing the best technology on equal terms with other countries; and maintaining normal relationships with international financial institutions, foreign businesses and the United States economy, all of which threatened the macroeconomic stability of Cuba.

57. **Mr. Ching** (Singapore) said that an open, inclusive, transparent and rules-based global economic system was of fundamental importance for national development. Countries had a collective responsibility to establish such an economic framework, despite the difficulties created by the current rise of protectionism, trade wars and geopolitical tension.

58. Three guiding principles would strengthen the global economic system. First, a new framework for cooperative multilateralism in global economic governance was needed. Leadership networks comprised of existing global, regional and bilateral institutions or groups could assist in forming such a framework. As the only global entity with universal

participation and unquestioned legitimacy, the United Nations had a key coordinating role to play. Second, the international community must recommit to free trade, because international trade was the engine behind growth and prosperity for developed and developing countries alike. Singapore was contributing to WTO efforts to initiate negotiations on e-commerce rules and was also promoting new regional mechanisms, including the Regional Comprehensive Economic Partnership. Third, international law must be upheld. A rules-based system was conducive to predictability and stability in the international environment, and those were prerequisites for conducting business, trading and investing. In that regard, Singapore had spearheaded initiatives such as the Singapore Convention on Mediation, designed to promote mediation as an alternative method for the resolution of trade disputes.

59. **Ms. Najfan** (Saudi Arabia) said that her Government attached great importance to international trade as an engine of development and stressed the need for international and regional efforts to create an enabling environment that improved the access of goods from developing States to global markets. Efforts to improve the financial, monetary and trading systems should be implemented transparently through existing institutions based on the common interests of developed and developing States. Both the 2030 Agenda and the Addis Ababa Action Agenda had stressed the need to curb illicit financial flows. Unfortunately, such flows remained a major drain on the resources of developing countries, and transparent international cooperation was necessary to curb them.

60. **Mr. Hajilari** (Islamic Republic of Iran) said that developing countries continued to suffer as a result of deficiencies and imbalances in the global economic, financial and trade systems, in contravention of their right to be part of a universal, rules-based, open, transparent, predictable, inclusive and non-discriminatory trading system. WTO, to which Iran had been denied membership for over two decades, was now the target of unilateral actions that put the entire international trading system at risk. As was made clear in the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/74/264), such economic measures hampered the establishment of global trade and investment links and posed a threat to the financial and debt sustainability of the affected countries.

61. The Islamic Republic of Iran was the target of unlawful unilateral coercive measures and a range of illegal sanctions imposed by the United States and its allies. Such measures not only contravened international law, but also ran counter to the principles of fair competition and freedom of trade and investment. They targeted civilians and, as such, constituted acts of economic terrorism, which the international community must effectively oppose.

62. Governments must revamp the global economic and financial architecture to foster sustainable development, in particular by addressing debt, illicit financial flows, digitalization and international trade. The United Nations and the international financial institutions had complementary mandates, making coordination of their actions to reform the system crucial.

63. **Mr. Al-Qahtani** (Qatar) said that the multilateral trading system had a major role to play in achievement of the Sustainable Development Goals. South-South cooperation was especially important. Tangible progress on the Doha Development Round was needed to create a genuine global partnership for development. Member States should fulfil their commitments under the Addis Ababa Action Agenda, which was an integral part of the 2030 Agenda. In November 2017, Qatar had hosted the High-level Conference on Financing for Development and the Means of Implementation of the 2030 Agenda for Sustainable Development, a preparatory event for the Economic and Social Council forum on financing for development follow-up that had concluded with the presentation of 10 “Doha messages”. In 2008, Qatar had hosted the second International Conference on Financing for Development for effective follow-up to the implementation of the Monterrey Consensus.

64. His Government, which believed in collective action to confront shared challenges, had just announced a contribution of $100 million to help small island developing States and least developed States address threats related to climate change. It had also pledged $500 million in unearmarked multi-year support for core resources of several United Nations agencies and had allocated some $20 million to support the regional Sustainable Development Goals accelerator labs network initiative of the United Nations Development Programme. Qatar had been ranked first in the Arab world and eleventh globally in contributions to inter-agency pooled funds in 2017.

65. **Mr. Nayyal** (Syrian Arab Republic) said that the primary obstacle to achievement of the Sustainable Development Goals was the imposition of unilateral economic, trade and financial measures against developing States. His delegation had previously pointed out the essential flaw in the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/74/264), which was that it was

devoid of any meaningful assessment of the damage caused to affected States. The authors of the report were content to offer the bland statement that unilateral measures, especially broad trade embargoes, could have unintended adverse impacts on human rights and public welfare.

66. Numerous international reports and economic studies had laid bare the political motivations behind such measures and shown how they denied people their right to development. The Special Rapporteur on the negative impact of unilateral coercive measures on the enjoyment of human rights had concluded that such measures were discriminatory and arguably unlawful under international human rights law. In the future, the Secretary-General's report should include more detailed and genuine monitoring of the consequences of such measures, instead of hiding behind the word "unintended" as a way of undercutting the goals of the resolution. In any case, reports meant nothing as long as there was no international legal mechanism for challenging unilateral measures, and so peoples and individuals would continue to suffer.

67. **Mr. Momoh** (Nigeria) said that concerted efforts were needed to facilitate access to financial resources, build capacity in critical areas, including technology and innovation, and reform the international trading and financial systems, if all the intergovernmentally agreed development agendas were to be implemented. Nigeria hoped for a healthier global economy, a reduction of global tensions and unilateralism, and international solidary and fulfilment of commitments. A greater focus on policies and programmes to facilitate investment in developing countries was needed. Unilateral economic measures were contrary to the principles that should underpin the multilateral trading system, and hindered the affected countries' achievement of sustainable development.

68. He welcomed the convening of the fourth forum on financing for development follow-up, and its outcome document. It was important to assess progress and identify obstacles and challenges to the implementation of all development financing decisions.

69. Increasingly unsustainable public and private debts continued to constrain fiscal policy options and limit the public finances available to countries for achieving their development priorities. While it was the responsibility of all countries to seek to limit their own debt vulnerability, the Committee should evaluate the capacity of the relevant international financial entities and other stakeholders to prevent another global financial and economic crisis.

70. **Ms. Ortez** (Honduras) said that an open trading system was needed with mechanisms to correct the existing inequalities between countries. The international financial system should be stable and capable of mitigating the harm caused by external factors, such as climate change and political tensions. Countries' reduced access to concessional financing as a consequence of their rising incomes was extremely disturbing. Multidimensional indicators that could accurately measure the complex realities of development should replace the current system whereby countries were categorized by income alone.

71. For two-thirds of developing countries and over 80 percent of least developed countries, which often depended heavily on basic products, price instability had weighty consequences, affecting their ability to achieve the Sustainable Development Goals. Honduras was the world's fifth-biggest coffee producer, with more than 102,000 Honduran families earning their livelihoods from the coffee economy. However, the global coffee market was monopolized by a few companies and characterized by a complex value chain. According to the Trade and Development Board, between 2011 and 2016 producing countries had received only 17 per cent of the total value of the final product, which not only negatively affected small farmers' incomes, but also jeopardized the sustainability of global coffee production.

72. The progress being made at WTO towards an agreement on fishing subsidies was encouraging; she hoped that the negotiations would be concluded in 2019 with a view to the achievement of target 6 under Goal 14 of the Sustainable Development Goals. The globalization of trade, despite clear benefits, had led to a polarization in the distribution of wealth, significantly deepening inequality between countries. The Committee must work to empower small- and medium-sized enterprises, with new terms for access to financing, and better training opportunities for small-scale producers, with a focus on gender and community. Only by facilitating small-scale producers' access to a market that recognized the value of their contribution to the global economy would it be possible to make the 2030 Agenda a reality.

73. **Ms. Jiarpinitnun** (Thailand) said that a revitalized and inclusive multilateral trading system would support sustainable growth. Her Government remained committed to a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system, with WTO as its cornerstone. It would continue to promote trade cooperation and economic integration at the bilateral, subregional and regional levels, including through the

ASEAN Economic Community and the Regional Comprehensive Economic Partnership.

74. Her Government was committed to financial inclusion and would continue to promote the use of technology to facilitate access to financial services by all, including those in rural areas. It had launched financial literacy programmes to support people across the country in effectively using financial tools.

75. Countries must redouble their efforts to implement the Addis Ababa Action Agenda. ODA, domestic resource mobilization and public-private partnerships were all critical in that regard. Thailand welcomed the High-level Dialogue on Financing for Development, and the Secretary-General's Global Investors for Sustainable Development Alliance, designed to incentivize private investment for the Sustainable Development Goals. An act on public-private partnerships, designed to create an enabling environment for private investment in key development projects, had entered into force in Thailand earlier in 2019. Her Government had also been working to mainstream the Addis Ababa Action Agenda into its national policies.

The meeting rose at 1 p.m.