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Special high-level meeting with the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development

Summary record of the 25th meeting
Held at Headquarters, New York, on Monday, 20 April 2015, at 10 a.m.

President: Mr. Sajdik .... (Austria)

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The meeting was called to order at 10.10 a.m.

Opening remarks by the President

1. **The President** said that the current meeting was being held at a crucial point in time, immediately following the spring meetings of the International Monetary Fund and the World Bank and the second drafting session on the outcome document of the third International Conference on Financing for Development, to be held in Addis Ababa from 13 to 16 July 2015, and just before the start of another round of intergovernmental negotiations on the post-2015 development agenda. The international community had been working closely together to chart a new course for sustainable development and the post-2015 agenda. All efforts must be made to extend that unprecedented collaboration beyond 2015. Indeed, financing and implementing the post-2015 agenda had to be a concerted effort of all stakeholders at the local, national, regional and international levels.

2. It was for that reason that “coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda” had been chosen as the overall theme of the current meeting. Member States and a wide range of stakeholders had highlighted the need for a renewed global partnership for the implementation of the post-2015 agenda following the first in-depth discussions on the zero draft of the outcome document of the Conference on Financing for Development. The ongoing negotiations on the financing framework for the post-2015 development agenda and on the path towards sustainable and inclusive development had made the international community aware of the wide range of challenges that had to be tackled.

3. The international community must reorient investment patterns and improve the coordination of public and private investments in order to maximize their developmental impact. It must also address the rise of systemic global risks and provide enabling national and international environments for sustainable development in an integrated manner. Past regional and global financial and economic crises had shown that development gains made over decades could come undone in a matter of a few years. In that context, a more cohesive and resilient global economic system was of the essence. Indeed, a strong global economy would be fertile ground for the implementation of a transformative and ambitious post-2015 development agenda.

4. The world economy had kicked off 2015 on a weak note, following subdued growth in 2014, as growth prospects had been hampered by major geopolitical tensions. The crises in Ukraine, the Syrian Arab Republic, Iraq, Libya and Yemen had already taken a humanitarian toll and generated pronounced economic impacts at the national and subregional levels. The drama of migrants and refugees drowning in the oceans in different parts of the world reflected in the bitterest way the appalling multitude of unsolved economic and political problems in many regions that must not leave the world indifferent. Unemployment, especially youth unemployment, remained a key policy challenge worldwide, posing risks not only for short-term economic recovery but also for long-term growth.

5. In order to mitigate those challenges, international policy coordination and cooperation must be strengthened. In particular, macroeconomic policies worldwide should be aligned with a view to supporting robust and balanced growth, creating productive jobs and maintaining economic and financial stability in the long run. The world must also come together in the fight against organized crime, trafficking in persons, money-laundering, corruption and illicit flow of funds.

6. Good governance, transparent public institutions, the rule of law at the national and international levels and respect of human rights were basic requirements for establishing and maintaining peaceful societies. Putting the planet on a sustainable path must be infused with the spirit of a new global partnership for development. The fundamental responsibility for promoting that global partnership lay with Governments. However, only a joint effort, leveraging the strengths of all actors, including civil society, the business sector, local governments, national parliaments and others, would make it possible to realize the shared vision of a sustainable development agenda. That partnership must be based on equity, cooperation and, above all, accountability. It must aim for transformative change in all economies and societies. It also should be based on respect for each country's policy space and take into account different national realities. Moreover, to be effective, it would require a strengthened and more robust monitoring and accountability mechanism with a strong follow-up process, based on technical expertise, including that of the major institutional stakeholders of the financing for development process.

7. The Council boasted unique strengths and advantages to promote such a strong follow-up process. It had the mandate to monitor the implementation of the outcomes of all major conferences and summits in the economic and social fields. Through its oversight and coordination role, the Council, including the high-level political forum convened under its auspices, would review and provide guidance to the United Nations system for implementing the post-2015 development agenda. The multi-stakeholder Development Cooperation Forum remained a crucial space to enhance national and global accountability and effective monitoring of development cooperation.

8. Lastly, a revitalized special high-level meeting of the Council with the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations Conference on Trade and Development must remain the premier forum for addressing issues of coherence, coordination and cooperation in the financing for development process. The third International Conference on Financing for Development would provide a unique opportunity to foster a broad and comprehensive financing framework for sustainable development. The current meeting could make an important contribution to a successful outcome at that conference. The international community should make the best of the opportunity to deliver as one for all.

Statement by the Secretary-General

9. **The Secretary-General** said that the current meeting was an important step in the preparations for the third International Conference on Financing for Development, to be held in Addis Ababa in July 2015 and for the United Nations summit for the adoption of the post-2015 agenda, to be held in New York, in September 2015, and the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Paris, in December 2015. The strong engagement of the major institutional stakeholders and of civil society and business sector representatives at the current meeting illustrated the unprecedented level of cooperation that had emerged in the common efforts to formulate a post-2015 development agenda.

10. He had just returned from the spring meetings of the International Monetary Fund and the World Bank Group, held in Washington, D.C. from 17 to 19 April 2015, where he had sensed a strong commitment to carry that collaborative spirit to Addis Ababa and beyond. The third International Conference on Financing for Development provided a chance to devise a new international financial framework that was predictable and effective in achieving sustainable and inclusive development. Working together, the international community should seek three key outcomes in Addis Ababa: a cohesive and holistic financing framework for sustainable development; concrete deliverables, particularly in crucial areas such as infrastructure, agriculture, social needs and support for small and medium-sized enterprises; and a strong follow-up process based on technical expertise and the participation of the institutional stakeholders attending the current meeting, to ensure that no country was left behind.

11. The global economic recovery continued to be sluggish, having been hampered by new challenges, including a number of unexpected shocks, such as heightened geopolitical conflicts in different parts of the world. It was important to think about the right policies that could support a strong, balanced and sustainable recovery. Too much was at stake to risk the world economy falling into a stagnant growth path in the longer run. It was also important to identify and tackle the root causes of high youth unemployment, which was widespread in so many countries. Policy measures were needed to increase formal employment and close the gender gap in labour markets. But the challenges did not stop there. A stable, inclusive economy was necessary but not sufficient for sustainable development. It was important to ensure the availability of the required resources for sustainable development at all levels — national, international, public and private.

12. The co-facilitators of the financing for development process had circulated the zero draft of the outcome document of the third International Conference on Financing for Development, which had been the basis of recent negotiations in the General Assembly. The draft addressed the full spectrum of issues, including resources, enabling environments and systemic challenges. It emphasized the importance of fighting illicit flows, including through domestic reforms and international tax cooperation. It welcomed the work of the Group of 20 (G20) and the Organization for Economic Cooperation and Development in that area, but it also noted that those initiatives should be

complemented by more inclusive deliberations at the United Nations to ensure that they benefited all countries, including the least developed countries. The draft stressed the need for continued official development assistance and the importance of reversing the declining trend of aid to the least developed countries. It also emphasized the important role of development banks, private finance, technology, capacity-building and incentives to promote greater private investment in sustainable development, and highlighted the need for an equitable multilateral trading system, sustainable debt and more inclusive global governance for sustainable development.

13. Lastly, the post-2015 development agenda was ambitious. The financing needs were enormous. Nonetheless, they could be met if the international community worked together to deliver as one. However, success could not be achieved without a revitalized and stronger global partnership for development. As the international community was working to forge that partnership, it must learn from the lessons of the current global partnership. The Council and its subsidiary bodies would continue to do their part. Success would only be achieved through a concerted effort by all stakeholders, especially among those attending the current meeting. The world must work closely together to make 2015 a year of global action, one that would mark the dawn of a new era of sustainable development.

Keynote address by the Deputy Prime Minister of Turkey

14. **Mr. Babacan** (Observer for Turkey), Deputy Prime Minister, said that since the financial crisis of 2008, the global economy had still not made a sustained recovery, despite measures taken to address the challenges it faced. At the country level, the growth rates of advanced and emerging market economies seemed to be converging. Recent signals from the advanced economies were encouraging. Growth and labour markets were expected to remain strong in the short term in some developed countries, such as the United States and the United Kingdom, and to pick up steam in others, such as Japan and States members of the European Union. Given those improvements, the concerns of the global economy were expected to ease somewhat and global demand and trade were expected to strengthen gradually. The picture in emerging economies was mixed, with growth being strong in some and subdued in others. Nonetheless, those economies still accounted for more than two thirds of global economic growth.

15. Despite an overall positive outlook, the world economy still faced a number of challenges, including the volatility of exchange rates, owing to the divergent monetary policies of the advanced economies. That volatility might put pressures on corporations, especially those with unhedged foreign exchange exposures. Prolonged low inflation and low yields were other examples of challenges to be overcome. Addressing those challenges required appropriate macroeconomic measures, considering that monetary policies had reached their limits, especially following the recent monthly stimulus packages adopted by certain economies. Governments should adopt flexible fiscal policies to support growth without jeopardizing the medium-term fiscal outlook. They should also take advantage of the accommodative fiscal environments created by central banks to undertake desperately needed structural reforms. Monetary or fiscal policies alone would not be sufficient for the global economic recovery and sustainable growth. Reforms of the labour market, social security and the investment and capital accumulation environments would also be crucial.

16. During its presidency of the G20, Turkey would focus its efforts on ensuring robust growth through collective action, based on inclusiveness, implementation and investment. It would seek to build on the priorities established by previous presidencies to ensure seamless continuity in the work of the Group, while introducing new elements based on the motto “collective action for inclusive and robust growth”. The G20 had made significant strides in designing and launching policy frameworks in many areas. In November 2014, it had pledged to undertake about 1,000 projects which, if fully implemented, would add more than $2 trillion to the global economy and generate millions of additional jobs by 2018.

17. The inclusiveness pillar had both domestic and global dimensions. At the domestic level, the aim was to ensure that the benefits of growth and prosperity were shared by all segments of society. With that in mind, his Government would emphasize small and medium-sized enterprises as a cross-cutting topic, considering their contribution to economic activity and the fact that they accounted for up to 80 per cent of jobs created in many countries. As part of that process,

the Government was working with the International Chamber of Commerce to establish a small and medium-sized enterprises forum in 2015, which would serve as the voice of those enterprises on the global stage, representing them at various international forums. It would also be launching a group called Women 20, which would be seeking ways of enhancing the role and effectiveness of women in business. The Turkish Government had also asked all members of the G20 to come up with structures within their countries to that end. At the international level, Turkey would focus on the concerns of low-income developing countries and would ensure that those concerns were raised more vocally by the G20 on the world stage. That would be one of the defining aspects of the Turkish presidency of the Group.

18. The second pillar underpinning Turkish priorities was that of implementation. In 2015, it would ensure that the G20 countries implemented their growth and employment strategies, commitments and action plans in various areas. That implementation would be monitored using a template which the G20 countries had established collectively in 2015, to ensure transparency and accountability and provide an impetus for countries to fulfil their commitments.

19. The third pillar of the priorities of the Turkish presidency was that of investment. In that regard, Turkey would place a strong emphasis on investments as a powerful driver of growth. Building on existing resources, it would introduce a new narrative that would address the investment gaps of member countries through concrete and ambitious investment strategies. It had asked all G20 countries to prepare concrete and ambitious investment strategies to be presented at the G20 Summit, to be held in Antalya, Turkey, on 15 and 16 November 2015. It was worth noting that many Governments had very limited fiscal space, which prevented them from increasing their investment spending. As a result, the ability to mobilize private resources for public infrastructure investment was important. Public-private partnership projects were an effective solution in that regard. However, investors still found it hard to understand those projects, hence the need for standardization in order to infuse more confidence and predictability into the projects. Those were factors sought by sovereign wealth funds, pension funds, and insurance and reinsurance funds around world, which had significant resources and were seeking investment opportunities for a minimum return. Private resources could also be injected into public infrastructure projects through asset-based financing and Islamic financing.

20. The G20 could play a positive and constructive role in complementing global development efforts in 2015. The current concern of the development community was to create a more inclusive and equitable system of global partnership involving all advanced, emerging and developing countries on the basis of mutual respect and benefit. At a time when the official development assistance framework was considered insufficient, more resources were needed, including domestic resources and private investments, to deepen the global partnership and achieve a global agreement on a new development financing framework. During its presidency of the G20, Turkey would do its utmost to ensure that the Group made the biggest possible contribution to the global development agenda in 2015.

21. The highest priority of the G20 was to see strong, sustainable, balanced and inclusive global growth, better living standards and quality jobs for people. The leaders of the 20 major economies of the world were well aware that what they did for the G20 countries mattered for the rest of the world as well. The Group had its own development agenda, which had several concrete and action-oriented elements and five priority actions: infrastructure, domestic resources mobilization, financial inclusion and remittances, food security and nutrition, and human resources development. That agenda was very much linked with several of the proposed sustainable development goals. The issue of investment in infrastructure was strongly linked to the sustainable development goal to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Likewise, the employment agenda, and particularly the work on skills mismatching of the G20, also had strong linkages with the goal to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

22. In line with the goal to end hunger, achieve food security and improve nutrition, the G20 was also working on food security and nutrition. In 2015, it would be convening the second-ever meeting of its ministers of agriculture to determine the best ways of supporting progress towards establishing sustainable food systems, with a particular focus on food losses and waste. It also aimed to develop an energy access

action plan with a particular focus on sub-Saharan Africa. The G20 could play a constructive role in addressing the global problem of access to energy which affected one fifth of the world population. The very first meeting of G20 ministers of energy, which would be held in Istanbul, Turkey, in October 2015, would provide a unique platform for strengthening global cooperation in that regard. The G20 would also be promoting the role of the private sector and private investments in creating jobs and fostering development. In addition to those efforts, the Turkish Government aimed to increase the engagement of the G20 with low-income developing countries through high-level outreach activities and many other events.

23. Lastly, humanitarian crises undermined development efforts. The current approach to humanitarian and development assistance, which regarded them as two separate tracks, failed to address some of the worst protracted crises in the world. Turkey was witnessing those challenges most vividly and first hand in Syria, with its catastrophic humanitarian consequences. Those crises were primarily responsible for the reduction in official development assistance to developing countries, because developed countries tended to divert their resources from development budgets to humanitarian crises whenever such crises arose. There was therefore a need to usher in a new era of cooperation between humanitarian and development actors, especially with regard to humanitarian financing. The World Humanitarian Summit, to be held in Istanbul, Turkey in May 2016, would provide a unique opportunity to address those issues.

Coherence, coordination and cooperation in the context of financing for sustainable development and the post-2015 development agenda (E/2015/52)

Ministerial segment on theme 1: "World economic situation and prospects"

24. **Mr. Gabrielyan** (Observer for Armenia), Deputy Prime Minister and Minister of International Economic Integration and Reforms, said that the conventional approach to financing for development required updating from a range of perspectives, considering that the finance landscape had become more complex. Public finance was still the mainstay in development, but its role seemed to be evolving. Using both government- and donor-raised money and increasing the leverage of the private sector through more public-private partnerships seemed to be one of the more promising avenues of infrastructure finance, particularly for low middle-income countries. Those countries were developed enough to nurture more complex institutions, yet still needed a longer time and more focused efforts to do so on their own. The importance of the guidance of international financial institutions in that regard could not be overestimated.

25. His country was currently engaging actively with international financial institutions, particularly, the World Bank, to find public-private solutions for its infrastructure projects. In a study conducted as an input to the consultations on the post-2015 development agenda, the World Bank had argued that the costs of achieving any development goal depended on the efficiency with which that goal was pursued, and that since there was a significant undersupply of infrastructure in developing economies, those costs could be mitigated only if existing infrastructure was used more efficiently.

26. Infrastructure development was a high priority for his Government, as duly reflected in the strategy for prospective development that it had adopted for the upcoming decade. The strategy aimed to scale up the impact of multi-stakeholder partnerships in addressing the issues related to financing gaps. As a landlocked country facing serious structural constraints and developmental challenges, Armenia viewed mobility and transportation as central to its sustainable development. It shared the view that coherent steps should be taken to make the best use of existing transport facilities and infrastructure in order to promote trade, facilitate investment and cooperation, enhance cross-border transportation and improve regional connectivity.

27. The fact that the highly important inter-State railway running from the Turkish city of Kars to the Armenian city of Gyumri was not being used in the vital interests of sustainable development for the whole region, owing to an ongoing illegal blockade imposed on Armenia was, therefore, a source of deep concern for all. His Government did not want to ascribe that state of affairs to a historical event, namely the Armenian genocide carried out 100 years earlier, or to Turkish sponsorship of the aggressive stance adopted by Azerbaijan, but was keen to move forward and believed that the spirit of cooperation would prevail in the end.

28. In addition to financial bottlenecks, other barriers to development, such as closed borders, blockades and unduly discriminatory trade regimes, should be considered. The current meeting had a direct link with the ongoing negotiations on the post-2015 development agenda and the preparatory process for the third International Conference on Financing for Development. His Government commended the Council for the indispensable role it played in convening a number of stocktaking sessions on the outcomes of development-oriented conferences, such as the second United Nations Conference on Landlocked Developing Countries. It looked forward to further developments in those processes and stood ready to engage actively in the discussions on the post-2015 agenda and the mobilization of resources to ensure that 2015 indeed became a year of opportunity for a more sustainable future.

29. **Mr. Cárdenas Santamaria** (Colombia), Minister of Finance, said that while his country had seen 4.6 per cent economic growth in 2014 and had lifted 4.4 million people out of poverty between 2009 and 2014, all Latin American countries were facing two major threats from the international economy, which should be addressed at the third International Conference on Financing for Development: the drop in commodity prices and monetary policy normalization in certain States. The expected increase in United States interest rates was of particular concern.

30. The conference should also address one of the biggest barriers to the mobilization of domestic resources for development, namely erosion of the tax base as a result of corruption, criminal activity and tax evasion. Data from the Organization for Economic Cooperation and Development (OECD) indicated that while its member countries collected 34 per cent of their gross domestic product (GDP) in taxes, Latin American countries collected only 22 per cent. To help close that gap, the international community should increase cooperation on tax matters by supporting the OECD and G20 base erosion and profit shifting project (BEPS Project) and transforming the United Nations Ad Hoc Group of Experts on International Cooperation in Tax Matters into a permanent intergovernmental committee.

31. Furthermore, steps should be taken to provide developing countries with the capacity to exchange tax information automatically and to analyse that information. Developing countries should improve their tax agencies by investing in information technology and human resources. They must also encourage formal rather than informal employment, as Colombia had done by slashing its payroll tax.

32. The conference should also discuss the mobilization of private resources at the domestic and international levels through public-private partnerships. Such mobilization would require strong legal frameworks and adjustments to enable the international financial system to adequately finance private sector entities involved in such projects. National development banks should be enabled to compensate for market failures and act as catalysts for accessing other resources. The conference should result in financing structures that would enable the realization of the post-2015 development agenda.

33. **Mr. Mimica** (Observer for the European Union), Commissioner for International Cooperation and Development, said that decisions taken in the coming months would determine whether the current generation would eradicate poverty and secure sustainable and inclusive development worldwide. Global economic growth was set to strengthen modestly, if not evenly. Growth momentum in the United States continued to be robust, while growth in Japan was expected to gradually rebound, partly as a result of its accommodative monetary policy and lower global oil prices. While growth in China would slow further as the economy settled into a more balanced pattern, growth in emerging market economies as a whole was expected to accelerate. However, growth rates in developing countries had slowed for the fourth consecutive year, thus increasing the risk of the goal of poverty eradication not being achieved.

34. Recovery in the euro area was progressing, although hampered by incomplete macroeconomic adjustment and high rates of unemployment. The European Union was pursuing an ambitious domestic economic strategy involving increased public and private investment, a renewed commitment to structural reform in the energy, telecommunication and transport sectors, and greater fiscal responsibility.

35. The issue of funding for development could not be addressed in isolation, as the shared vision of a transformative, universal post-2015 agenda could only be achieved through the mobilization and optimal use of all available means of implementation. The third International Conference on Financing for Development

should cover those means of implementation, including the policy framework that would be needed to ensure that financing had a lasting impact. The conference should result in action on the part of all stakeholders, including Governments, international organizations, the private sector and civil society. The European Union intended to play its full part alongside other partners, taking into account their different levels of development, national contexts and capacities.

36. The European Union was committed to increasing its official development assistance (ODA), which should be used to engage and leverage other financial and non-financial means of implementation. Its member States represented less than 20 per cent of global GDP but contributed more than 50 per cent of global ODA. All States that were able to contribute, including upper-middle-income countries, should make commitments in line with their economic situation. However, ODA alone would not be sufficient to finance the broad sustainable development agenda. Significantly more public and, in particular, private investment at both the domestic and the international levels was necessary, with financial institutions playing a crucial role. In addition to pushing for increased cooperation in those areas, the conference should also focus on the effective mobilization of domestic resources, including through the establishment of transparent and efficient tax systems.

37. Trade was one of the most powerful means of promoting sustainable development and growth. All developed countries and emerging economies were encouraged to adopt policies such as Aid for Trade to that end. Inequality had a negative impact not only on human dignity but also on growth potential. Addressing inequality and exclusion, particularly with regard to women, would be at the core of the European Union development agenda. To ensure credibility, consistency and impact, the Conference on Financing for Development and the post-2015 development agenda should result in a single, overarching agenda supported by a solid monitoring mechanism. The outcome of the conference should be framed as the implementation pillar of the post-2015 development agenda.

38. **Ms. Andersson** (Sweden), Minister of Finance, said that climate change was the most significant challenge to development and would have tremendous effects on the global economy if it were left unaddressed. While the dramatic drop in the price of crude oil had decreased incentives to abandon fossil fuels, it also offered an opportunity to phase out fossil fuel subsidies and put a price on carbon through either a carbon tax or an emissions trading scheme. Such initiatives would also create fiscal space that could be used to fight poverty and drive development.

39. Since Sweden had introduced its carbon tax in 1991, its GDP had increased by almost 60 per cent and its carbon emissions had been reduced by over 20 per cent. Her country was already the largest per capita contributor to the Green Climate Fund but was committed to increasing its contributions even further and hoped that other States would follow suit. However, integrating environmental and climate sustainability into all financing for development was even more important than earmarking resources for climate investment.

40. Another issue that must be an integral part of all development financing was gender equality, not only because it was morally right but also because of the substantial increase in the global GDP that could be generated by increasing women's career opportunities and participation in the labour force. It was crucial for a commitment on the matter to be made at the third International Conference on Financing for Development. Furthermore, while the commitment contained in the zero draft of the outcome document of the conference to progressively increase tax revenues and to support countries that needed technical assistance and fiscal management capacity was welcome, the international community also needed to address the crucial issues of tax evasion and capital flight, which significantly reduced the amount of available resources. One outcome of the conference should be a commitment to enhance cooperation on tax issues.

41. ODA should be directed towards the countries that were most in need and used to maximize the potential of other, much greater resources. Her Government remained committed to allocating 1 per cent of its gross national income to ODA.

42. **Mr. Ibrahim** (Tunisia), Minister of Development, Investment and International Cooperation, said that net exporting countries must assume that the low price of oil would persist for several years and diversify their economies accordingly, while net importers should respond to the situation as if it would only last for one or two years and take measures such as reviewing energy subsidies and linking consumer prices to actual

prices, as far as their national contexts would allow. His country faced financial, social and security challenges that the Government would take into account when determining spending priorities. Security and military capacity must be reinforced in order to combat terrorist groups, which were well able to exploit the social and economic weaknesses of developing countries.

43. Since the Arab Spring in 2011, the Tunisian people had gained freedom and seen improvements at the political level, including free elections in 2014, but they were still waiting for real social and economic improvements in their everyday lives. An ambitious reform programme was being rolled out to improve competitiveness and make the country more attractive to foreign investors. At the same time, his Government had been working with the United Nations to achieve its goals on inclusive growth and poverty eradication. The Government appreciated the strong support it had received from the international community in the first phase of the transition. However, it would be some time before reforms began to pay economic and social dividends, owing mainly to challenges around security and social issues. Tunisia would welcome further coordination, support and collaboration in that regard.

44. **Mr. Tekeste** (Observer for Ethiopia), State Minister for Finance and Economic Development, said that economic recovery had remained moderate and uneven as a result of the unexpected number of economic and social shocks, conflicts and terrorist acts that had taken place over the past year. Nevertheless, the commitment of the international community to an ambitious, sustainable and transformative development agenda was encouraging. Achieving the sustainable development goals would require a level of global partnership beyond that required for the Millennium Development Goals, including a universal readiness to mobilize all sources of finance, whether public or private, domestic or international. In particular, optimizing the vast resources held by the private sector would be crucial.

45. Given that there was already a significant convergence of ideas on much of the content of the zero draft of the outcome document of the third International Conference on Financing for Development, there should be a greater focus on reaching agreements on funding. At the national level, domestic resource mobilization was crucial. An environment conducive to the meaningful participation of the private sector should therefore be created, including through the establishment of an appropriate regulatory framework. However, it was still critically important for States to follow through on their ODA commitments, as even the envisaged increases in domestic resources would not be sufficient to enable less developed countries to achieve the sustainable development goals on their own.

46. International financial and trade institutions would have a much larger role to play in financing sustainable development in the post-2015 period. They would be responsible for ensuring a stable global financial and trade system, strengthening the productive capacity of less developed countries, and making available the necessary resources for the development of key economic and social infrastructure. They should continue to provide support for domestic resource mobilization, capital market development, foreign direct investment, capacity-building and technical assistance. Reaching agreements on the creation of a global economic and financial system conducive to the implementation of the post-2015 development agenda at the conference would be fundamental to the success of subsequent meetings.

47. **Mr. Karimsakov** (Observer for Kazakhstan), President, Eurasian Economic Club of Scientists Association, said that the main goal of the World Anti-Crisis Conference, was to develop a world anti-crisis plan to help overcome the global economic and financial crisis. The basic outline of the plan had been determined at the first Conference, held in Astana in May 2013, and a road map had been presented at the sixty-eight session of the General Assembly. At the second World Anti-Crisis Conference, held in May 2014, delegates had appealed to international organizations and financial institutions to take an active part in developing the World Anti-Crisis Plan, which had the support of organizations such as the World Bank, the United Nations Conference on Trade and Development, the Economic and Social Commission for Asia and the Pacific, the Islamic Development Bank and the European Bank for Reconstruction and Development. He proposed that the Economic and Social Council should be the coordinating body for the development of that Plan. The Eurasian Economic Club of Scientists Association stood ready to openly and actively engage with the United Nations in order to achieve a common understanding among Member States on the development of the Plan.

Interactive dialogue

48. **Mr. Mamabolo** (South Africa), speaking on behalf of the Group of 77 and China, said that it had been clear from the early stages of the second drafting session for the zero draft of the outcome document of the third International Conference on Financing for Development that there would be a need for additional consultations. He trusted that contributions and submissions from Member States would be compiled to form a basis for negotiations. The document must give national Governments space to implement policies in line with their specific needs and objectives. Additional forms of financing must be incorporated in such a way as to recognize the role of Governments in regulating funding for development programmes in their countries.

49. The financial and economic crisis and its consequences for development had highlighted the gaps and failings in global economic governance. The United Nations must have a stronger role in international economic and financial affairs, including in the coordination of global economic governance. The Bretton Woods institutions were undemocratic and of questionable legitimacy and must, therefore, be reformed in such a way as to give developing countries full and fair representation.

50. Ensuring the availability of adequate and stable resources for development was crucial to the progress of international development cooperation and to the core components of the post-2015 development agenda. Also central to the agenda were technology transfers under concessionary and preferential terms and capacity-building tailored to the specific needs of developing countries. The agenda must be based on the principle of common but differentiated responsibilities.

51. The erosion of ODA was a matter of serious concern. Developed countries must urgently fulfil their commitment to dedicate 0.7 per cent of their gross national income to ODA, including between 0.15 and 0.2 per cent of their gross national income to the least developed countries. In addition, the share of ODA should be increased to at least 1 per cent and less developed countries should receive a larger proportion, as had been agreed in the Programme of Action for the Least Developed Countries for the Decade 2011-2020.

52. The systemic shortcoming of the international monetary, financial and economic institutions could not be overemphasized and must be addressed through in-depth reform. There was also an urgent need to enhance the coherence and consistency of the international monetary, financial and trading systems.

53. **Mr. Lasso Mendoza** (Observer for Ecuador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that despite estimates that the gross world product was forecast to increase by 3.1 and 3.3 per cent in 2015 and 2016, respectively, unemployment and underemployment remained dangerously high in some States, and growing rates of youth unemployment were particularly challenging for many developing countries. In that context, there was a need for more forceful and concerted policy action at both the national and the international level to ensure strong, sustained economic recovery. In particular, fiscal policies should become more countercyclical, equitable and conducive to decent job creation. The transparency, supervision, regulation and governance of the international financial system should be enhanced to ensure international stability, and alternative instruments and frameworks for measuring the quality of credit, financial services and financial products should be developed in order to diversify and expand the market and build national capacities.

54. An effective financing for development strategy would require the mobilization of new and additional financial resources. ODA would play an important role in achieving the agreed goals and should be allocated according to criteria that took into account factors beyond GDP, such as multidimensional poverty. The framework for the post-2015 development agenda should include time-bound targets in the areas of trade, investment, migration, technology, the environment and global institutions. The approach to multi-stakeholder partnerships involving the private sector, philanthropic entities and civil society must take into consideration elements such as transparency, coherence, ownership and intergovernmental oversight and focus on results, monitoring and accountability.

55. Distortions in international trade such as non-tariff measures, tariff peaks, agricultural export subsidies and trade-distorting domestic support continued to restrict market access opportunities for developing countries and must be addressed. The Doha Development Round should result in a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that promoted recovery, growth, sustainable

development and employment, taking into account the needs of developing countries.

56. The representativeness, effectiveness and legitimacy of the Bretton Woods institutions should be improved through reforms of their governance structures, quotas and voting rights. The lack of progress in the implementation of the 2010 International Monetary Fund (IMF) reforms was disappointing. Those reforms must reflect current realities and ensure full participation of developing countries in the decision-making process. IMF must provide more comprehensive and flexible financial responses to the needs of its members, without imposing procyclical conditionalities or denying them policy space. Developing countries must be able to participate in all discussions on international monetary reform and in the operation of the new arrangements for special drawing rights.

57. The stability and predictability of the international financial architecture would not be possible unless agreements between debtors and creditors on sovereign debt restructuring processes were respected. In that regard, all Member States, particularly those that were members of OECD, and international financial institutions were strongly encouraged to participate in the remaining sessions of the ad hoc committee established to further the implementation of General Assembly resolution 68/304, which would take place in April and June 2015.

58. **Ms. Kantrow** (Observer for the International Chamber of Commerce) said that, in preparation for the third International Conference on Financing for Development, the Business Sector Steering Committee had hosted a day of business hearings for Member States in New York in April 2015, focusing on infrastructure financing, access to financing for small and medium-sized enterprises, and long-term responsible investment. The International Chamber of Commerce was working closely with the G20 to establish a world forum of small and medium-sized enterprises and had produced the Business Charter for Sustainable Development to provide guidance to businesses on the post-2015 development agenda. The Steering Committee was organizing a business and investment forum as part of the Financing for Development Conference, was engaged in the preparatory process and had contributed to the zero draft of the outcome document.

59. **Mr. Eler** (Observer for Turkey) said that the comments of the representative of Armenia had misrepresented his Government's forward-looking and visionary contribution to the theme of the ministerial segment. The meeting was an opportunity for the international community to coordinate its contribution to the post-2015 development agenda rather than for delegations to be making unfounded allegations in an attempt to score futile political points. Mutually beneficial partnerships between landlocked developing countries and their transit neighbours and development partners should be developed, renewed and enhanced.

60. Such partnerships would help to establish an effective framework for overcoming the specific challenges faced by landlocked developing countries. In order to establish the political conditions for the normalization of relations in the South Caucasus, which would contribute to peace and cooperation in the region, the interested parties should display the necessary political will and be encouraged to move in the right direction. His delegation would welcome an analysis of the impact of one country in the region occupying 20 per cent of the territory of its neighbour.

61. **Mr. Zinsou** (Benin), speaking on behalf of the Group of Least Developed Countries, said that the complex global situation, characterized by slow economic growth, contractionary fiscal policy, an upsurge of conflicts, disasters and public health emergencies, and a continuous decrease in ODA to least developed countries, jeopardized the prospects for global development. Strong regulatory measures designed to reduce risk-taking by financial institutions had raised borrowing costs for developing countries. The moderate economic recovery of least developed countries between 2012 and 2014 had stalled because of slow revival and continued fiscal consolidation in advanced economies and declining growth in emerging market economies, which were increasingly important markets for commodities produced by least developed countries.

62. Least developed countries were concerned that, in the current era of budget austerity, foreign aid would be insufficient to end extreme poverty and promote the three dimensions of sustainable development by 2030. In 2014, country programmable aid had decreased by 7 per cent in real terms and the amount of ODA received by least developed countries represented only 0.1 per cent of the gross national income of donor countries, compared to the OECD target of 0.15 to

0.20 per cent. The share of ODA allocated to such countries was 33 per cent, a fall of 16 per cent in 2014. Donor countries should provide between 0.20 and 0.25 per cent of their gross national income as ODA to least developed countries, which should receive at least 15 per cent of net ODA.

63. Integrated policies at the global, regional and national levels and a coherent approach to the post-2015 development agenda, balancing the three aspects of development, were needed. Least developed country status should be universally recognized, including by the World Bank and IMF, to facilitate follow-up to the implementation of the sustainable development goals. The classification of countries on the basis of income was increasingly irrelevant because it did not take into account structural constraints such as fragility. Least developed countries were the most homogenous group of States, with very little variation among members.

64. The role of the United Nations development system and other intergovernmental organizations in implementing the post-2015 development agenda should be defined. The Group of Least Developed Countries needed assurance that the system could fulfil its mandate.

Statements by intergovernmental representatives of institutional stakeholders

65. **Mr. Piantini Munnigh** (United Nations Conference on Trade and Development (UNCTAD)) said that in preparing for the third International Conference on Financing for Development and the post-2015 development agenda, States faced a global development landscape characterized by increasingly complex and interdependent events following the global financial crisis. The world economic system, increasingly fragmented, should be made coherent and stable, with development and poverty eradication at its core, as described in the 2002 Monterrey Consensus. Institutional perspectives and the intergovernmental machinery should be combined so that the global economy could bring prosperity to all.

66. The innovative ideas resulting from the intergovernmental discussions of UNCTAD had taken concrete form in the run-up to the fourteenth session of UNCTAD, to be held in Lima in March 2016. By the very nature of its consensus-building pillar and because of its broad mandate, UNCTAD was a unique political and intellectual forum in which development questions could be discussed before intergovernmental bodies acted on them.

67. Optimizing the impact of international trade on development required greater coherence between policies in trade and other areas than could be provided by the multilateral trading system and trade liberalization alone. Open, universal and equitable international trade would benefit developing countries in particular, and coherent economic, environmental and social policies must be pursued to ensure the right relationship between trade, structural transformation, productive capacity, economic growth and equitable development.

68. The importance of trade to inclusive growth and sustainable development must be reflected in the post-2015 development agenda. The UNCTAD Trade and Development Board had therefore asked the UNCTAD secretariat to contribute to the agenda, the sustainable development goals and relevant United Nations activities.

69. UNCTAD had produced an action plan for investment in the sustainable development goals. The sustainable development of infrastructure, social housing and social energy should become a priority for investment promotion agencies and business development organizations. Investment incentive schemes should be restructured to encourage corporate behaviour that ensured sustainable development. Regional and South-South investment cooperation should be promoted, particularly in infrastructure development. Partnerships would foster the establishment of companies focused on achieving the sustainable development goals and of special economic zones based on public-private cooperation, with a view to enhancing the generation and dissemination of technologies and skills.

70. Such innovative financing mechanisms as green bonds and impact investing should be promoted and oriented towards appropriate sources of capital and direct beneficiaries. In conjunction with business schools around the world, UNCTAD was developing a curriculum that took into account the social and environmental impact of investment, with a view to changing the approach of businesses. Its Investment Policy Framework for Sustainable Development, introduced in 2012, was being revised in the light of the sustainable development goals.

71. The international community had made a shared commitment to harnessing trade in the service of development, but progress in the Doha Round remained slow. The talks would continue at the World Trade Organization (WTO), but political dialogue in UNCTAD would ensure that they moved in the right direction and benefited from the experience of different policies and mechanisms.

72. Achieving systemic coherence was a great challenge. The consequences of the global economic crisis affected everyone, and the traditional North-South divide must be replaced by multilateral economic relations. The financing for development process, the post-2015 development agenda and the preparatory process for the fourteenth session of UNCTAD would contribute to that end. Development must be financed through a global partnership designed to create prosperity for all, mobilize investment and private financial flows and improve the results of development assistance.

73. The United Nations and other multilateral institutions were essential to strong global economic governance based on multilateralism and credibility, which must underpin trade and development. If the international community were to honour its commitment to democracy and good governance, the coordinating role of the United Nations must be strengthened.

74. UNCTAD had much to contribute because of its broad scope and its function as one of the five major stakeholders in the financing for development process. The lack of financing for the economies of least developed countries was one of the greatest obstacles to their development, given their limited ability to generate savings. UNCTAD should monitor the implementation of the commitments made by the international community to such countries at the third International Conference on Financing for Development. It should also analyse such countries' progress in trade, technology and sustainable development, areas of its mandate mentioned in the financing for development documents. Given its contribution to the work on the challenges faced by such countries, it was uniquely placed to contribute to the follow-up to the Conference through research and technical assistance.

75. **Mr. Mohieldin** (World Bank) said that the discussions at the April 2015 meeting of the Development Committee of the International Monetary Fund (IMF) and the World Bank had focused on financing for development, in particular the post-2015 agenda. The achievement of the sustainable development goals would require a transformational vision based on the lessons learned from the Millennium Development Goals and including all potential sources of financing. ODA should be better used to help the poorest; domestic resources should be more effectively mobilized; public financial management should be improved; illicit financing should be addressed; private investment should be promoted; and action on global issues should be coordinated.

76. The Committee encouraged the World Bank to help define the sustainable development goals to ensure their technical robustness and strengthen countries' data capacity so that their progress could be monitored. The elimination of poverty, the first proposed sustainable development goal, might not be achieved because of a lack of household summaries for the previous ten years in 57 countries.

77. The Committee welcomed efforts to strengthen local financial markets and improve policy and regulatory environments in order to address risks and catalyse investment and the development of innovative solutions to global challenges. The World Bank should support sustainable infrastructure development and enable the long-term private financing of projects and the strengthening of public-private partnerships at the national level, including through the Global Infrastructure Facility.

78. The Committee welcomed the rapid response of the International Development Association and the International Finance Corporation to the Ebola outbreak. The World Bank should support recovery in the affected countries and establish a pandemic emergency facility.

79. The achievement of the sustainable development goals would require countries to address climate change and natural disasters. The Committee commended the World Bank's commitment to mainstreaming low-carbon development and disaster risk management while continuing to focus on poverty eradication, and welcomed its contribution to the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, to be held in Paris in November and December 2015.

80. Although the recent fall in oil prices had resulted in a shift in real income from exporting to importing countries, its overall effect on growth in developing

countries would be positive, because it would enable subsidy and tax reforms and help to promote more inclusive growth. The World Bank and IMF should help countries affected by the decline in export receipts, tax revenues and remittances, and should provide advice on energy pricing and the use of clean energy.

81. The World Bank should implement its new strategy and the associated reforms in order to provide knowledge and financing to its clients, and should dedicate sufficient resources to its proposed environmental, social and procurement frameworks. It should monitor the quality of its portfolio and strengthen collaboration, with an emphasis on development results in fragile States. The World Bank and IMF should support countries in turmoil in the Middle East, North Africa and other regions, and the Bank should intensify its efforts to help middle-income countries end extreme poverty and boost shared prosperity.

82. The data, financing and implementation support offered by multilateral development banks in relation to the sustainable development goals would be ineffective without strong national institutions, policy frameworks and leadership.

83. **Mr. McDonald** (International Monetary Fund (IMF)) said that the support provided by the Fund to its member States in a global economic climate of uneven growth, declining oil prices, sharp variations in exchange rates and market volatility was set out in the April 2015 Managing Director's Global Policy Agenda, endorsed at the 31st meeting of the International Monetary and Financial Committee. The global recovery from the economic and financial crisis was moderate and uneven. It was strongest in advanced economies such as the United States and the United Kingdom, although quantitative easing by the European Central Bank had improved prospects in the euro area. In emerging market and developing economies, low commodity prices meant that growth was slower than in 2014, though there was much variation: growth in India and sub-Saharan Africa was strong, while in China it was slower but more sustainable. The Russian Federation was in difficulty, the Brazilian economy was stagnant and the Middle East was in turmoil. Sustainable growth required integrated policies designed to reduce risk while confronting global challenges and avoiding a long period of slow growth.

84. The Fund had ensured the durability of the recovery through lending, capacity-building, analysis and policy advice. It had supported international efforts to combat Ebola by rapidly providing additional financing and debt relief through the Catastrophe Containment and Relief Trust. It had approved new arrangements for various countries, adopted a new debt limits policy to strengthen its lending framework and completed a review of the role of trade in its work. It would continue to provide advice on the use of fiscal policy to support growth, the calibration of fiscal packages to reduce public debt overhangs, and fiscal risk management. It would strengthen fiscal institutions and ensure public debt sustainability through technical assistance and training, and would target energy tax and subsidy reforms, the improvement of public investment management and the fiscal consequences of ageing populations through its analytical and country work.

85. The Fund would assess the impact of asynchronous monetary policies on member States, including the ways in which macroeconomic policy transmission could be improved, disruptive exchange rate movements managed, financial stability risks and capital flow volatility mitigated, and falling commodity prices and disinflationary pressures addressed. It would analyse the link between monetary policy and financial stability and provide advice and capacity-building for monetary policy frameworks in low-income developing countries.

86. The Fund would conduct deeper macrofinancial analyses; help member States to address financial stability risks; provide advice on debt overhangs in the euro area and on macroprudential policies, including systemic risks stemming from corporate sector exposure in emerging market economies; analyse financial deepening and inclusion to support growth; address data gaps; and develop Islamic finance. It would analyse macrocritical structural reforms designed to ensure sustainable and inclusive growth, making use of other institutions' expertise, and would build on recent work that identified which reforms were most beneficial at different stages of development. In its analysis it would emphasize productivity enhancement; complementarities between reforms, including in trade and financial inclusion; income inequality; and female workforce participation.

87. Emerging market and developing countries had been rapidly integrated into global trade but not into

the financial system. Cooperation with regional institutions was needed to enhance the global financial safety net and ensure such integration. The special drawing rights basket would be reviewed in 2015. The Fund would take interim steps to implement its quota and governance reforms, which were designed to represent the changing dynamics among its members and had been approved by almost all of them.

88. The current year was a pivotal one for the international community, which had committed itself to a shared vision of international development beyond 2030. The sustainable development goals would be achieved only through partnership among advanced, emerging and developing economies.

89. The success of the third International Conference on Financing for Development, the United Nations Summit to adopt the post-2015 development agenda, to be held in New York in September 2015, and the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change would depend on the mobilization of resources for development and progress in addressing climate change. The Fund would contribute to those conferences by producing a paper explaining its position on the links between global and national policies, fostering productive investment, debt management and restructuring, financial sector policies and macrocritical climate issues.

90. **Mr. Yi** Xiaozhun (World Trade Organization (WTO)) said that the main conclusions of the WTO trade growth forecast for 2015 and 2016, released in April 2015, were that the sluggish increases in GDP worldwide had affected trade. Mercantile trade growth would increase only slightly, from 2.8 per cent in 2014 to 3.3 per cent in 2015 and 4 per cent in 2016, below the annual growth averages of 5.1 per cent since 1900 and 6 per cent before the economic and financial crisis.

91. Despite policy-makers' efforts to encourage growth through interest rate cuts, fiscal measures and quantitative easing, the potential of trade to stimulate demand had not been exploited. In the context of the post-2015 development agenda and the sustainable development goals, Governments could maximize the benefits of trade by withdrawing protectionist measures, improving market access, avoiding the distortion of competition and reforming global trade rules. Trade should not be understood merely in terms of liberalization but should be recognized as a development policy instrument.

92. The WTO rules governing global trade had proved their worth in the context of the MDGs as a basis for economic growth and a buttress against protectionism, particularly during crises, and should continue to play that role after 2015. The WTO Agreement on Trade Facilitation, currently being ratified by States, would smooth world trade flows and cut transaction costs, particularly in developing countries. Once implemented, it would generate $1 trillion per year and create 21 million jobs, mostly in developing countries.

93. The implementation of the Bali Package and the conclusion of the Doha Round would support the achievement of the sustainable development goals. WTO members had undertaken to remove all obstacles to the Doha negotiations, which had been stalled for some years, with a view to delivering an outcome at the 10th WTO Ministerial Conference, to be held in Nairobi in December 2015.

94. WTO could also support the United Nations through the Aid for Trade initiative and the enhanced integrated framework for trade-related assistance for least developed countries. The Fifth Global Review of Aid for Trade would be held in June and July 2015 under the theme "Reducing trade costs for inclusive, sustainable growth". High trade costs impeded the integration of developing countries, in particular least developed countries and landlocked developing countries, and must be reduced to improve regional integration and achieve the sustainable growth required under the post-2015 agenda. The most recent figures related to Aid for Trade flows showed that commitments to landlocked developing countries had increased from $7.2 billion in 2011 to $8.8 billion in 2012.

95. Statistics had shown that 80 per cent of global trade was underpinned by financing or credit insurance, but in many countries the financial sector could not support trade, and access to the international financial system was limited. The situation had worsened since the financial crisis, as global financial institutions had withdrawn from least developed countries and had only partly been replaced by local and regional banks. The African Development Bank estimated that requests for $130 billion of trade financing had been rejected in 2014, the equivalent of one third of the African trade finance market. In Asia,

requests for $800 billion had been rejected in 2014, with no alternative financing available. The rejection rate was 7 per cent for multinational firms but 85 per cent for small and medium-sized enterprises. Financing gaps were greatest in the poorest countries. In April 2015, WTO had pledged to put trade finance on the agenda of the third International Conference on Financing for Development to ensure that the issue had its proper place in the development debate.

96. WTO was making every effort to ensure that developing countries were integrated into the global trading system. The Council and the high-level political forum held under its auspices should ensure that trade had a central role in the post-2015 process and that the sustainable development goals promoted global policy coherence.

The meeting rose at 1.05 p.m.