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Summary record of the 20th meeting
Held at Headquarters, New York, on Tuesday, 27 October 2015, at 3 p.m.

Chair: Mr. Krapp (Vice-Chair) . . . . (Germany)

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15-18705 (E)

In the absence of Mr. Logar (Slovenia), Mr. Krapp (Germany), Vice-Chair, took the Chair.

The meeting was called to order at 3.05 p.m.

Agenda item 18: Macroeconomic policy questions (*continued*) (A/70/410; A/C.2/70/2)

(a) International trade and development (*continued*) (A/70/15 (Part I), A/70/15 (Part II), A/70/15 (Part III), A/70/152 and A/70/277; A/C.2/70/3)

(b) International financial system and development (*continued*) (A/70/311)

(c) External debt sustainability and development (*continued*) (A/70/278)

(d) Commodities (*continued*) (A/70/184)

Agenda item 19: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (*continued*) (A/70/85-E/2015/77, A/70/320 and A/70/410; A/C.2/70/2 and A/CONF.227/20)

1. **Mr. Mackay** (Belarus) said that in order to promote sustainable development, the international trade system should be open and safeguard the interests of all States. The delegation of Belarus supported the work of the United Nations Conference on Trade and Development (UNCTAD) as the United Nations clearinghouse for comprehensive consideration of trade and development matters.

2. The United Nations lacked a specialized plan of action for middle-income countries. That must be rectified. Middle-income countries represented the largest category of countries lacking such a plan. The international financial system should also make a greater effort to support middle-income countries, especially as the need to build their trade potential had received special mention in the 2030 Agenda for Sustainable Development. It was important for the international financial institutions to develop a strategy for engagement with middle-income countries and cooperate with them to strengthen their national banking and financial systems and increase their ability to withstand changes in financial markets. The international currency and financial system was also clearly in need of reform. In that context, the International Monetary Fund should work actively to prevent global and national financial crises.

3. Immediate and effective measures were needed to put an end to the practice of unilateral coercive economic measures that were not authorized by the relevant United Nations bodies or were incompatible with the principles of international law, as set forth in the Charter of the United Nations. The 2030 Agenda mentioned the need to cease the use of such measures. The United Nations should provide more active assistance to countries that were still the targets of sanctions and other trade barriers, including those that were politically motivated. Unilateral sanctions often had extraterritorial consequences, affecting third countries in addition to the targeted countries. They had a negative impact on regional cooperation, international trade and economic cooperation worldwide.

4. Regional economic cooperation, which provided the context for addressing many sensitive issues, was currently of particular importance to Belarus. For Belarus, the establishment of the Eurasian Economic Union had been the most significant regional integration process in recent years, and Belarus was currently serving as Chairman of that body. There should be more opportunities within the United Nations for the discussion of integration issues, as well as dialogue among various integration bodies. The regional economic commissions, the Economic and Social Council and the high-level political forum on sustainable development were perhaps the most appropriate forums for such dialogue.

5. Participation in the World Trade Organization (WTO) was of great interest to Belarus. Acceptance of new members on the basis of fair and transparent approaches that took into account the trade and financial needs of the new member States was particularly important.

6. Belarus had supported the resolution on basic principles on sovereign debt restructuring processes, seeing it as the first significant joint step towards the creation of a fair, predictable and effective system of international engagement on the matter.

7. **Mr. De Lara Rangel** (Mexico) said that every country was responsible for its own development process and could select the economic model that it wished to follow, based on a sovereign analysis of its capacities and its needs. Regardless of the model chosen, international trade should provide the foreign currency necessary to finance the imports required to

maintain and expand the economy. International trade should be fair, non-discriminatory and respectful of multilateral rules. It should not involve unilateral, inequitable measures and should facilitate access to goods. International trade had been recognized as an important source of financing for development since the first International Conference on Financing for Development in Monterrey.

8. The Addis Ababa Action Agenda was the outcome of ten months of negotiations and reflected the paradigm shift that had occurred since the Millennium Summit by addressing the three dimensions of sustainable development holistically and by advancing an inclusive and universal vision. It was a very successful outcome that maintained and strengthened the commitments contained in the Monterrey Consensus and the Doha Declaration on the mobilization of financial, human and technical resources for development, from a human rights perspective. It also reflected a shift towards mobilization of domestic resources and institutional capacity-building, with official development assistance (ODA) and other forms of international cooperation complementing and catalysing national efforts. Furthermore, the Addis Ababa Action Agenda reaffirmed the importance of an enabling international environment for development, including an open, multilateral trade system that promoted growth and an international financial system that was more inclusive and better regulated.

9. For Mexico, priorities that were reflected in the Addis Ababa Action Agenda included cross-cutting issues such as good governance, transparency, gender equality and a human rights approach; the creation of a new social compact that helped to eradicate poverty in its various dimensions; the contribution of migration to development in countries of origin, transit and destination, as well as respect for all rights of migrants; continued support for middle-income countries; the national promotion of responsible policies that promoted inclusive economic growth; cross-cutting consideration of biodiversity in productive sectors and efforts to combat climate change; and renewed commitment to international development cooperation.

10. **Mr. Rattray** (Jamaica) said that the Addis Ababa Action Agenda was a useful policy framework that could improve coherence between global priorities and national goals with a view to mobilizing development finance for sustainable development. Jamaica welcomed the new social compact contained in the Agenda, with its support for the provision of fiscally sustainable and nationally appropriate social protection systems, including social protection floors, to address the needs of the most vulnerable.

11. He welcomed the creation of the global infrastructure forum, which should improve the alignment and coordination of new and existing infrastructure initiatives while providing a platform for sharing best practices, forging new partnerships and encouraging a more diverse range of voices to be included in deliberations on infrastructure. The decision to launch the long-considered Technology Facilitation Mechanism was another noteworthy outcome of the deliberations in Addis Ababa.

12. However, given the scope and ambition of the new sustainable development agenda, the provisions of the Addis Ababa Action Agenda were insufficient. It was therefore imperative to adopt a holistic approach focused on the synergies between the Addis Ababa outcome and the 2030 Agenda.

13. The adoption of a holistic approach must reflect a focus on ongoing efforts to implement the Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway, including through the mobilization of resources to strengthen resilience to exogenous economic and environmental shocks, to which small island developing States were acutely vulnerable. At the third International Conference on Financing for Development, the Finance Minister of Jamaica had said that in the absence of a programme of international support, the small, vulnerable and relatively undiversified economic structures of the Caribbean States were likely to be overwhelmed by the risks inherent in a global economy. He therefore welcomed the provisions in the Addis Ababa Action Agenda that sought to enhance countries' resilience to financial and economic crises, environmental degradation, climate change, natural disasters and other environmental risks.

14. The mobilization and effective use of financing for development was an insufficient prerequisite for development. Systemic issues that could undermine efforts to attain the Sustainable Development Goals must be kept in view, such as the continued use of measures of development that did not fully take into account the vulnerabilities of small island developing States, as well as the unsustainably high debt burdens of small, vulnerable economies. Given the scope of

their impact, those challenges must be addressed at the international level.

15. In closing, he stressed that the ability to achieve sustainable development would be compromised without an ambitious outcome to the forthcoming twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change, without the conclusion of the Doha Development Round and without reform of the international financial institutions.

16. **Ms. Ponce** (Philippines) said that over the past five years, robust exports of goods and services and growing investments, buttressed by a development strategy anchored in inclusiveness, transparency and good governance, had been drivers of economic growth in the Philippines. Her country, which continued to consider WTO as its main vehicle for engagement in the global trading environment, called for the swift conclusion of the Doha Development Agenda and implementation of the Bali Package. It also urged WTO to facilitate more meaningful participation by developing countries in the multilateral trading system.

17. The Philippines strongly supported the work of UNCTAD in that regard, and reiterated the need to strengthen its role as the focal point within the United Nations system for the integrated treatment of trade and development alongside finance, technology and investment issues.

18. The Philippines wishes to highlight the complementarities between Asia-Pacific Economic Cooperation initiatives and the economic objectives of the Doha Development Agenda, in particular the significance of collective reforms for small and medium enterprises. Such enterprises remained the backbone of the economies of developing countries such as the Philippines. In order to promote inclusive growth in the Asia-Pacific region, the Government had identified the following priorities: investing in human capital development; fostering the participation of small and medium enterprises in regional and global markets; building sustainable and resilient communities; and enhancing the regional economic integration agenda.

19. Although the gross domestic product (GDP) of the Philippines had increased over the preceding year, poverty had risen to 25.8 per cent during the first half of 2014, owing to high food prices, particularly for rice, which was essential to the Filipino diet. In that regard, and given that the Philippines was the twelfth most populous country in the world, she highlighted the importance of trade for economic development and the need for adequate policy space to pursue food and livelihood security objectives.

20. Upholding an equitable, non-discriminatory and open marketplace was vital to the sustained growth and development of national economies. The fragility of global growth should not be an excuse for establishing trade-distorting measures, but rather was a reason to act in solidarity with others to achieve the boundless benefits of international trade.

21. The Philippines was deeply concerned by the fragile global financial and economic environment: further contraction of international demand could pose a challenge to poverty reduction efforts. Greater multilateral engagement was therefore needed to strengthen the financial resilience of all States.

22. **Ms. Karabaeva** (Kyrgyzstan) said that, in addition to the 2030 Agenda and the Addis Ababa Action Agenda, the adoption of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 had made an important contribution to international trade and development. Kyrgyzstan supported an open, fair, reliable, non-discriminatory and predictable trade system that was aligned with the Sustainable Development Goals. Cooperation between developed and developing countries, to implement the aforementioned instruments, would enable developing countries to become fully integrated into the multilateral trade system and achieve sustainable development.

23. In 2015, Kyrgyzstan had joined the Eurasian Economic Union, which included Armenia, Belarus, Kazakhstan and the Russian Federation, having completed all domestic procedures for entry. Membership of that integration association helped to remove barriers to the movement of goods, services, capital and labour. Moreover, new investment opportunities and prospects were also opening up for major infrastructure projects in the fields of energy, transport and agriculture. Citizens of Kyrgyzstan were entitled to work in any State member of the Union under the same conditions as citizens of the host country.

24. Despite the continuing difficult world economic situation, Kyrgyzstan had managed to preserve positive growth trends. The Government was implementing

policies to improve the business environment and the investment climate and improve tax accountability procedures.

25. According to preliminary data from the National Statistical Committee, economic growth in Kyrgyzstan for 2015 was 107.3 per cent. Per capita GDP had grown by 5 per cent compared with the same period of the previous year.

26. At the same time, Kyrgyzstan was experiencing the effects of external factors. Following the world financial crisis, economic growth had slowed sharply, remittances from migrants had dropped and food prices had risen. The continued impact of those factors on development in 2015 was a source of concern. Other negative phenomena included sanctions issues in the region. In that regard, Kyrgyzstan was opposed to unilateral, coercive economic measures as a means of exerting political and economic pressure on developing countries.

27. Significant fluctuations in the value of national currencies were another recent challenge. In Kyrgyzstan, the official value of the dollar in relation to the national currency had increased by 17.7 per cent during the first half of 2015, leading to an increase in the national debt, less debt sustainability and thus slower progress towards sustainable development. Debt relief, debt restructuring and a multilateral legal framework to regulate sovereign debt restructuring processes were of particular importance. The delegation of Kyrgyzstan stood ready to participate in a constructive dialogue for the establishment of a fair and transparent foreign loans market.

28. **Mr. Vasiliev** (Russian Federation) said that effective work by the General Assembly on financing for development was an important factor in strengthening partnerships to mobilize domestic and external resources for development purposes. The Committee should adopt a balanced, comprehensive resolution on the issues of the post-Monterrey Agenda by consensus.

29. His delegation welcomed the Addis Ababa Action Agenda, an outcome which had largely facilitated the timely adoption of the post-2015 development agenda and was a good basis for building a global partnership to achieve the Sustainable Development Goals. The new forum to bridge the infrastructure gap, to be established as the result of a decision taken at the third International Conference on Financing for Development, would promote greater coordination of efforts under existing infrastructure initiatives, national and multilateral development banks, United Nations bodies, non-governmental organizations and the private sector.

30. The establishment of the Technology Facilitation Mechanism and the decision to strengthen the Committee of Experts on International Cooperation in Tax Matters were also significant achievements. It was fundamentally important that Committee members, who would continue to work in an expert capacity, should be nominated by Governments and appointed by the Secretary-General in coordination with the Member States. Intergovernmental discussions on tax matters must continue to be held within the United Nations, particularly during the increasingly important special session of the Economic and Social Council.

31. The Russian Federation stood ready to engage constructively with partners within the framework of the annual forum of the Economic and Social Council on follow-up to financing for development, to be launched in 2016.The intergovernmental recommendations to be adopted by the forum would be an important contribution to the work of the Economic and Social Council and the General Assembly, as part of monitoring progress towards achieving the Sustainable Development Goals.

32. His delegation attached great importance to consideration in the General Assembly of international trade as a factor in sustainable development. Adopting the resolution on international trade and development by consensus with the Second Committee would help to strengthen an open, non-discriminatory and equitable multilateral trading system. He also called for the swift conclusion of the Doha Round and urged all interested parties to engage in constructive dialogue with a view to adopting balanced decisions at the forthcoming Tenth WTO Ministerial Conference.

33. In the light of the stalled Doha Round, some countries had begun actively promoting regional economic integration projects that were often in the interests of national exporters and transnational corporations. However, regional trade agreements could serve only as a supplement to, not as a replacement for, the multilateral trading system. To ensure their legitimacy, the universal rules of international trade must be drawn up by WTO with the participation of all stakeholders.

34. The economic integration efforts of the Eurasian Economic Union were being carried out in complete compliance with WTO rules and standards. The Russian Federation supported harmonization of regional economic projects based on universally accepted principles of international trade.

35. The increasingly frequent imposition of unilateral coercive economic measures was a major cause for concern. Such restrictive measures were incompatible with the norms of international law and the principles of the multilateral trade system. Moreover, they hampered sustainable development at all levels and should cease.

36. The Russian Federation, like Argentina and many other countries, was of the view that sovereign debt mechanisms could hardly be characterized as fair, balanced or effective. Welcoming the outcome of the work of the Ad Hoc Committee on Sovereign Debt Restructuring Processes, he said that all countries interested in ensuring a stable and predictable global financial system should pay attention to its report.

37. The Russian Federation supported joint efforts to implement multilateral trade agreements effectively, balancing the interests of commodity producers and consumers. As a member of the Common Fund for Commodities and other relevant international organizations, the Russian Federation stood ready to participate actively in expert cooperation in that area. In November 2015, jointly with the Common Fund for Commodities, his country would host an international conference on a number of issues relevant to the participation of small and middle-sized enterprises in agro-industrial value chains.

38. **Mr. Al-Safar** (Iraq) said that recent price fluctuations had negatively impacted States that depended on commodity exports. In Iraq, oil and gas accounted for 90 per cent of budget revenues, and his Government was concerned that market speculation was depressing prices in a manner that did not reflect the true state of supply and demand. Such a price drop was in the interests of neither producers nor consumers because it would discourage investments needed for energy security. Commodities markets should be governed by legal regimes that provided protection against the damaging effects of speculation.

39. His Government had enacted numerous financial and administrative reforms to reduce waste and minimize obstacles faced by foreign oil companies doing business in Iraq, while also reviewing previously signed contracts with a view to identifying shortcomings. It was also working to eliminate subsidies for oil derivatives and streamline State institutions by merging agencies that performed similar tasks. Its expenditures policy focused on priorities such as security, defence, health, refugees and social welfare. Iraq needed to increase oil production in order to recoup the costs of reconstruction, counter-terrorism and financial commitments stemming from oil contracts. Any decrease in oil prices would result in a decrease in investments in infrastructure and services.

40. **Mr. Rodrigues dos Santos** (Brazil) said that during the recent general debate of the plenary Assembly, the President of Brazil had emphasized that the slow and uneven pace of economic recovery and the end of rising commodity prices had significantly impacted the capacity of developing countries to mobilize domestic public resources. Indeed, current estimates put global growth at the lowest level since the deep recession of 2009, and the growth rate of global trade flows had recently fallen below global GDP growth rates for the first time in several decades.

41. The current pressures on national economies meant that it was harder for developing countries to make further progress in poverty eradication and threatened to erode the achievements of the past few years. Amidst rising inequality among and within nations, business as usual was not an option if the 2030 Agenda was to be met. A global enabling environment was needed, as was policy space for countries to adopt the public policies necessary to implement that Agenda.

42. The Technology Facilitation Mechanism and the decision to create a global infrastructure forum were important outcomes of the Addis Ababa Action Agenda that would require expeditious implementation, due follow-up and review.

43. Despite those important achievements, there had not been sufficient progress in reforming the governance structures of the global economic and financial institutions. Delays continued in implementing the 2010 International Monetary Fund governance and quota reform, a long overdue and basic step towards improving representation of developing countries in international financial institutions.

44. The lack of agreement on upgrading the Committee of Experts on International Cooperation in

Tax Matters to an intergovernmental body was another area where the Addis Ababa Action Agenda had fallen short. The failure to agree on a greater role for the United Nations in addressing tax evasion would not deter developing countries from further pursuing the establishment of a truly inclusive and effective decision-making process in an area of clear systemic relevance that had a direct impact on resource mobilization.

45. The upcoming WTO Ministerial Conference would be crucial in reinforcing the role of that Organization as the only platform capable of promoting effective trade liberalization and eliminating the remaining distortions in areas of crucial importance for developing countries, such as agriculture. Indeed, it was very frustrating that the tremendous distortions and barriers in agricultural trade maintained by developed countries had yet to be addressed. Entrenched protectionism in agriculture continued to hamper WTO progress and the multilateral trading system remained heavily skewed, to the detriment of agriculture and therefore to the detriment of development. The limited package of results centred on trade facilitation had been agreed in Bali on the understanding that the outstanding core issues of the Doha Round, which included agriculture, non-agriculture market access, services and development-related issues, would be subsequently addressed in Geneva. The time to meet that commitment had come.

46. Lastly, the system for addressing sovereign debt restructuring unduly protected holders from knowingly incurred risks, to the detriment of sovereign States. The recent approval of the basic principles on sovereign debt restructuring processes by the General Assembly sent a strong message regarding the need to change that situation and added to relevant recent progress in other forums, such as the strengthening of collective action and pari passu clauses.

47. **Ms. Engelbrecht Schadtler** (Bolivarian Republic of Venezuela) said that resources that should be directed towards national development, the production of goods and services and job creation were being used for private interests that would contribute nothing to society at large. Implementing the internationally agreed development goals should aim to transform the international economic and financial system in a way that would place human beings and nature at the heart of its priorities.

48. To achieve such transformations, multilateralism must include a new vision based on the principles of solidarity, social justice and complementarity. Only in that way would it be possible to achieve a new international economic order. Reform of the international financial architecture would also involve democratization of decision-making mechanisms to assure greater participation by developing countries.

49. The distortions caused by the capitalist model required innovative mechanisms to address external debt and expose corrupt or illegal practices. Venezuela agreed that debt relief should not have a negative impact on support for development activities, but should represent a separate commitment by the international community, especially from developed countries. Middle-income countries, which had suffered owing to a drop in international commodity prices, the spread of financial crises and a significant contraction of liquidity, had been weakened from the standpoint of debt sustainability.

50. Venezuela strongly supported the Group of 77 and China negotiations under way to establish a legal and regulatory framework applicable to vulture funds.

51. In a globalized world, industrialized countries, which helped to finance the growth and development of developing countries, were also jointly responsible for finding solutions to the problems affecting the international economy. Developed countries should therefore open their markets to products from developing countries, especially commodities which were usually the cornerstone of the economies of the South.

52. The right of developing countries to manage their natural resources should prevail over the interests of large transnational corporations that appropriated resources, plunging people into poverty and chaos and ravaging the environment.

53. Coercive unilateral economic, financial and trade measures and sanctions that were incompatible with international law and the Charter of the United Nations also restricted development.

54. Financing for development, while increasingly scarce, was also increasingly necessary for implementation of development goals, including the Sustainable Development Goals.

55. Without global and national policies and institutions to reduce persistent and systematic

vulnerability, countries would not be able to meet complex future challenges, such as the expansion of education and public transfers to poor people. To that end, the commitments undertaken in the Monterrey Consensus, the Doha Declaration and the Addis Ababa Action Agenda must be fulfilled.

56. There was no single criterion or unique model for financing for development that was applicable to all countries. Approaches must be flexible, so that they could be adapted to the needs and specificities of every country, based on their priorities, strategies and national development plans.

57. Donor countries must honour their ODA commitments in order to ensure the permanence, stability and predictability of funding for operational activities for development. Furthermore, ODA could not be subject to assessment criteria or conditionalities imposed through the interference of developed countries or multilateral financial institutions in the sovereign right of peoples to determine their political, economic, social or cultural systems.

58. **Ms. Loe** (Norway) said that the 2030 Agenda could not be achieved merely by increasing traditional forms of development finance. New forms and sources must be unleashed, in volumes that far exceeded ODA.

59. Domestic resource mobilization spurred by private sector-led economic growth must be the backbone of financing for development. The Addis Ababa Action Agenda represented a quantum leap, placing domestic resource mobilization and taxation at the centre of the development agenda. Curbing massive illicit financial flows was another key element of the Agenda, with current successes very encouraging. In just a decade, the issue had risen from relative obscurity to become a core development issue. It was important to maintain the momentum.

60. Efforts to bridge huge gaps in infrastructure financing had been lacking. New multilateral initiatives, including the Asian Infrastructure Investment Bank, were therefore welcomed.

61. The need for inclusive growth had become self-evident. Without women's economic empowerment, it would not be possible to fulfil the 2030 Agenda. It was gratifying that the issue had been correctly addressed in the Addis Ababa Action Agenda.

62. Since borrowing was an important tool for financing for development, and since there were signs of new debt distress in some countries, it was important to undertake responsible borrowing and lending.

63. Some of the poorest and most vulnerable countries remained dependent on ODA. In other developing countries, ODA would serve to stimulate domestic resource mobilization and job creation through private enterprise and investment. However, it must become more catalytic, leveraging funds from many sources and enabling private sector development.

64. Lastly, Norway reconfirmed its commitment to spend at least 0.7 per cent of its gross national income (GNI) on international development. In fact, Norway continued to allocate a full 1 per cent of GNI to development assistance, of which a large share would continue to be spent in the least developed countries.

65. **Ms. Miyano** (Japan) said that the finding that global public and private savings would be sufficient to attain sustainable development was encouraging. Implementation of the Addis Ababa Action Agenda and the 2030 Agenda would unlock those resources. Japan was interested in pursuing quality growth through investment in quality infrastructure, fostering partnerships with private finance and technology and promoting human resources development and the protection and empowerment of people in vulnerable situations.

66. Japan looked forward to the appointment of 10 civil society, private sector and scientific community representatives to prepare the multi-stakeholder forum and operationalize the online platform. Both Agendas provided balanced guidance on addressing debt and debt sustainability. Japan shared the sense of urgency with regard to trade already expressed, and would spare no effort to ensure the success of the Tenth WTO Ministerial Conference, to be held in Nairobi in December.

67. The Second Committee should consider how it could contribute to the effective and coherent implementation of the aforementioned Agendas and strive to avoid duplication of work with the high-level political forum on sustainable development. The first step in that regard was to avoid duplication between agenda items 18 and 19 and relevant resolutions, on the one hand, and the intergovernmentally agreed conclusions and recommendations, on the other. Implementation would take place through global multi-stakeholder partnerships, with Governments

taking the lead and the private sector and other stakeholders also serving as important partners. The United Nations system, the World Bank Group, WTO, the Organization for Economic Cooperation and Development, the Group of 20, the Group of 8 and regional organizations would also play an indispensable role.

68. **Mr. Mebarki** (Algeria) said that while achieving sustainable development was first and foremost the responsibility of Member States, a successful outcome worldwide would require a comprehensive, integrated, inclusive and multilateral framework. Moreover, in an increasingly interdependent world, a comprehensive and integrated system for trade and financial regulation would also be crucial.

69. In that context, efforts must be made to ensure that global economic policies were designed and implemented by the United Nations, through the General Assembly and the Economic and Social Council. Moreover, reform of the General Assembly should restore its status as the most universal and democratic deliberative body of the United Nations.

70. Algeria took note of conclusions from reports of the Secretary-General advocating for greater complementarity and cooperation among regional and global multilateral arrangements, including the Bretton Woods institutions, to ensure international financial stability and sustainable growth. Such efforts would ensure that multilateralism successfully contributed towards global development and well-being.

71. It was important to ponder the possible short- and long-term consequences of new regional financing arrangements for financial flows and currencies in general. To some extent, that would be determined by whether governance and scope for action remained regional or developed into something more international.

72. He also wondered how those regional instruments would interact with other components of the multilateral financial system, which was struggling to meet the expectations of developing countries. The latter sought reforms in the system to align it with current realities and make it more equitable. In future, the reports of the Secretary-General should address such questions.

73. The International Monetary Fund was an important body that should be strengthened and given a new status that enabled it to be more representative of current realities. The current impasse should therefore be overcome, leading to a new institution that was inclusive and conducive to international financial stability.

74. A more comprehensive and inclusive international financial architecture was needed that would act in the common interest. The new multilateral financial system should be based on an overall macroeconomic policy that took monetary and development policy requirements into account in an integrated manner. Member States could work together to establish a general policy that would determine the future path of the international economy. The time had come to take action to end the financial instability of the current system, which was especially harmful for the poorest and most vulnerable people.

75. **Mr. Ciss** (Senegal) said that one of the primary challenges facing developing countries, and especially least developed countries, was sustainable integration into the international trade system. Reduced distortions and lower trade costs could result in major gains. Significant reforms were therefore needed to remove tariff and non-tariff barriers that hampered trade. In particular, export subsidies for agricultural products should be eliminated, more flexible access should be provided to markets and the Agreement on Trade Facilitation should be implemented effectively.

76. Special and differentiated treatment should be a priority at the Tenth WTO Ministerial Conference, in order to make the relevant provisions of WTO agreements more effective and enforceable. In addition, the Conference should make the services waiver more binding and operational; find a long-term solution to stockholding for food security; ensure transparency by disclosing the type and scope of subsidies provided to the fisheries sector, and gradually eliminate them; and strive for a speedy and balanced conclusion to the Doha Round that would be favourable to developing countries and least developed countries.

77. The international financial system had become more vulnerable, with repeated crises that had negative consequences for developing economies. The financial system was deeply dysfunctional and required reform.

78. The inadequate governance structure of the Bretton Woods institutions and the underrepresentation of developing countries within them, as well as the

lack of multilateral bodies to monitor the financial markets, were issues that had been mentioned repeatedly. Given the persistent imbalances in the world, a more solid, stable and balanced financial system had become a necessity. Forums for cooperation and decision-making should be expanded to include developing countries, in particular by changing the procedures for joining the executive boards of those institutions.

79. The successful implementation of the 2030 Agenda would be achieved only by establishing an effective international economic system that was favourable to developing countries, especially least developed countries. Global economic and financial governance reform should make access to credit easier and simplify project financing procedures.

80. Lastly, external debt should be cancelled or reduced, and more support was needed to address the illicit transfer of funds, tax evasion and other fraudulent practices affecting national economies. Public and private financing must be further mobilized to strengthen international tax cooperation and explore the opportunities offered by inclusive finance and innovative financing mechanisms, such as private-public partnerships and sovereign funds.

81. **Ms. Yaima de Armas** (Cuba) said that in the face of one of the worst economic and financial crises in history, compounded by the environmental and energy crises, the multilateral trade system was facing problems that could not be resolved under the current international economic order. Under that dysfunctional order, the multilateral trade system was little more than a tool in service to the most powerful sectors of the developed countries, which the powerful used to perpetuate inequalities that enabled them to maintain control over the world.

82. The international financial system had shown that it lacked the capacity to guarantee the development of the most disadvantaged countries. It had also failed to ensure that developed countries lived up to their historical responsibilities to developing countries. The institutions of that system continued to intensify structural inequalities in favour of the wealthiest countries, inequalities that only a new international financial system could rectify.

83. At the same time, increased policy commitments to intellectual property and technology transfer had reinforced norms that established additional non-tariff barriers to trade. That hampered market access for new exporters and access to technologies on reasonable terms. The slow, difficult recovery of the international financial system was another indication of its fragility and inability to act in a coordinated way.

84. The stalled Doha Round did not bode well for the countries of the South. Reiterating its support for a fair, inclusive, non-discriminatory and transparent multilateral trading system that took into account the interests of the poorest, Cuba rejected attempts to impose artificial deadlines for the conclusion of the Doha Round.

85. The development goals must not be sacrificed, nor must the establishment of negotiating options affecting multilateralism be allowed. Transparent and inclusive negotiations must prevail over the intentions of a group of developed countries to impose their decisions on the other WTO members. It was crucial to respect the single undertaking process, to provide policy space to safeguard the national interests and priorities of developing countries, and to uphold the principle of special and differentiated treatment fully and effectively for them. That included the most marginalized and vulnerable nations, whose characteristics and limitations made it difficult for them to engage in world trade.

86. External debt cast a shadow on the developing world. It was one of the primary obstacles to development and a drain on developing countries' resources and economies. With the recently approved basic principles on debt restructuring, perhaps the actions of vulture funds would be limited and negotiations between States with financial difficulties and their creditors facilitated.

87. Cuba reaffirmed its support for all developing countries that were attempting to restructure their sovereign debts. The United Nations and the international financial institutions should play a more active and coherent role in supporting the right of the countries of the South to development, and support reforms to the current financial mechanisms.

88. In that context, developing countries must adopt agreements to protect their financial markets and economies from speculative capital. Increased regional integration would also help developing countries to make the necessary changes to the international financial architecture.

89. Unilateral economic measures, such as those still being applied against Cuba by the Government of the United States as part of its anachronistic economic, commercial and financial embargo, must be urgently eliminated. Such measures violated the Charter of the United Nations, international law and the spirit and the letter of WTO agreements and should be condemned and rejected wherever applied.

90. Solutions to current problems would not be found in exclusive clubs of countries that were unrepresentative, lacked legitimacy and had no mandate to make decisions for others. With the implementation of the 2030 Agenda and the Addis Ababa Action Agenda, everyone could make decisions that would allow future generations to inherit a better world, free of debt, based on sustainable development and supported by a multilateral trade system that was just, inclusive and transparent.

91. **Mr. Konate** (Burkina Faso) said that international trade was a powerful driver of change that could help overcome constraints posed by small domestic markets and give countries access to larger external markets, as well as skills, technologies and capital, which in turn enabled a better use of productive resources to catalyse structural transformation. It had the potential to support a broad range of development goals, including poverty elimination, gender equality and environmental sustainability, by promoting economic growth, creating jobs and raising standards of living.

92. The Sustainable Development Goals recognized the contribution of trade in many regards, and Goal 17 made that explicit. Hence, a multilateral, universal, rules-based, open, non-discriminatory and equitable trade system was needed.

93. Financing remained the cornerstone for the implementation of the2030 Agenda. Achieving the ambitious development agenda would be a drain on national budgets and public sector capacity. Greater international support was therefore needed, in the form of both concessional and non-concessional financing. While welcoming the commitment by the European Union to spend 0.7 per cent of gross national product on aid, with 0.2 per cent going to least developed countries by 2030, he stressed that donors must simplify their complex procedures which impeded access to such aid.

94. South-South cooperation had in recent years proven effective for development, representing 20 billion dollars in 2013. The recent establishment of new development banks and the Asian Infrastructure Investment Bank, which planned initially to mobilize 100 billion dollars, would also be helpful.

95. Despite an overall improvement in external debt in recent years, levels were still significant in some developing and developed countries. Burkina Faso therefore welcomed the adoption of General Assembly resolution 68/304 on the establishment of a multilateral legal framework for sovereign debt restructuring processes. While Burkina Faso did not suffer from a sovereign debt crisis, it was of the opinion that further thought should be given to the issue. Indebtedness and the ensuing crises often had a negative impact on well-being and economic growth, especially in developing countries.

96. **Mr. Gad** (Egypt) said that the means provided for achieving the objectives of the 2030 Agenda and the Addis Ababa Action Agenda would have to be equal to the task. That meant eliminating financing gaps and reversing the decline in ODA. In order for the global trading system to achieve its full potential as an engine of development, progress would have to be made at the forthcoming Tenth WTO Ministerial Conference, in particular with respect to special and differential treatment for developing countries and trade-distorting practices.

97. His delegation attached particular importance to food security. Africa contained many net food-importing countries that needed both protection against price volatility and increased international investment in agriculture and rural development. An action plan should also be developed to help middle-income countries in that regard.

98. In closing, he welcomed the agreement reached on a revised and updated version of the United Nations Guidelines for Consumer Protection at the Seventh United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

99. **Ms. Naeem** (the Maldives) said that the Maldives faced many challenges, including boosting and diversifying its economic growth, combating climate change and addressing unemployment, inequality and environmental degradation.

100. The Maldives was a textbook example of the island State paradox. It had graduated from least developed country status in 2011, but continued to face the same systemic challenges it had always faced as a small island State, including limited access to markets, dispersed populations in small areas and excessive dependence on economic sectors beyond its national control. Following graduation, those challenges had become more pronounced, because preferential treatment was no longer available. Despite a boom in tourism, there were critical gaps in sustaining economic growth and in the country's ability to redistribute its benefits to the scattered population.

101. More than 25 per cent of the total population resided in the capital city of Male', which occupied an island with a total area of around 2.5 square kilometres. Of the remaining 196 populated islands, 71 per cent of them had fewer than 1,000 inhabitants, which posed difficulties in delivering basic services. Population consolidation programmes had met with limited success, and the Government must still invest in difficult-to-fund key infrastructure and basic services needed to sustain the high levels of development attained.

102. While technically a middle-income country, the Maldives was in need of special treatment for concessionary financing, especially in the context of development finance and international trade.

103. The Maldives also suffered from a high debt burden. Lacking the domestic resources to provide basic physical infrastructure for economic growth, it was forced to borrow internationally at high rates, which affected the country's ability to borrow, owing to elevated risk ratings. That created a vicious cycle that had a significant impact on growth and development prospects.

104. Climate change also posed existential, economic and structural challenges. All progress and success could be wiped out by one disaster. The 2004 tsunami had wiped out 60 per cent of GDP. More recently, a fire in the capital had destroyed the sole desalination plant in the capital city, leaving its population of nearly 150,000 with no drinking water for 10 days.

105. Support from regional partners during the water crisis had demonstrated the importance of global partnerships. However, ODA also remained significant for the Maldives.

106. The challenges facing small island developing States were often the result of the inequitable management of the global commons. The Addis Ababa Action Agenda and the 2030 Agenda provided specific pathways for financing and investing in small island developing States and sharing the burden of problems that they had not caused, but from which they suffered.

107. **Mr. Narang** (India) said that financing for development should perhaps be seen in reverse, as development for financing, with development seen as the best way to generate financing. The Second Committee would do well to focus consistently on the systemic aspects of development policy and on creating the conditions for development, so that developing countries could generate the necessary resources. That would involve looking at the international financial system, international trade commodities, external debt and financing for development through a strictly developmental lens and thereby augmenting, reforming or strengthening the normative response for maximum development gain.

108. The discussions in Addis Ababa had been frank and open in a way that was sometimes difficult to achieve during the daily operations of the United Nations. However, the Addis Ababa Action Agenda reflected the continued unwillingness of the developed world to take seriously the issue of financing for development.

109. The stampede occasioned by distribution of the outcome document had sparked questions as to whether the Secretariat had added something to it, for it had not been that interesting when first released in Addis Ababa. It was nonetheless relevant and meaningful, containing several areas of tangible progress. However, it would be remembered as much for what it did not do as for what it did. The severely underwhelming portion on aid commitments was only the most visible failure.

110. More important was the issue of global taxation, a historic missed opportunity. Developing countries continued to bleed more money owing to tax evasion than they received in aid, but the Conference had failed to capitalize on the momentum to democratize discussions on global norm-setting in the area of taxation. While there had been agreement on some nominal strengthening of the Committee of Experts on International Cooperation in Tax Matters, the Conference had ended up formalizing the status quo, effectively excluding the voices of a large number of

countries. In doing so, it had weakened multilateralism and undermined the idea of universality. That important idea had been exposed as convenient rhetoric and was seen by its own proponents as inimical to their entrenched and exclusive privileges over others, reinforcing a zero-sum game mindset on an issue of common concern and offering capacity-building in response to demands for an equal seat at the table.

111. The modest reform of the Committee of Experts should be carried through in both letter and spirit, giving the Committee real teeth and legitimacy as an intergovernmental body reflecting the views of all Member States on an equal footing. There should be real and meaningful consultation with Member States with regard to appointing Committee members and providing enhanced resources.

112. **Mr. Dehghani** (Islamic Republic of Iran) said that trade was a vital tool for achieving long-term sustainable growth. To make full use of the potential of trade, it was important to uphold a universal, rules-based, open, non-discriminatory, depoliticized and equitable multilateral trading system that contributed to growth and sustained development, particularly for developing countries.

113. Trade had a critical role to play in ending poverty by 2030 and bringing about transformative shifts in economies, societies, ecosystems and the environment. It constituted a major source of development finance and created enormous opportunities for productive employment, diversification and technology upgrades. Services were the backbone of the economy and played a pivotal role in promoting health, education, innovation, infrastructure development and access to energy services, finance and the digital ecosystem. Given that many poor people lived in rural areas, agricultural trade contributed to poverty reduction and food security.

114. As a country that was acceding to WTO, Iran recognized the importance of the multilateral trading system and considered accession a tool for development. The accession of developing countries should be based on clear rules and on established, objective criteria. The accession process should be accelerated and carried out without political impediment. Acceding countries should not be asked to make commitments that went beyond their level of development and current WTO rules.

115. The 2030 Agenda strongly urged States to refrain from promulgating and applying any unilateral economic, financial or trade measures not in accordance with international law and the Charter of the United Nations that impeded the full achievement of economic and social development, particularly in developing countries. Such measures infringed the right of a sovereign State to peace, development and security, breached the principle of peaceful coexistence among sovereign States and constituted a persistent threat to the stability of a country. They also encroached on the right of peoples to freedom of trade and navigation, and on the rules of the multilateral trading system.

116. **Mr. Dahab** (the Sudan) said that achieving the Sustainable Development Goals would require overcoming the challenges faced by developing countries in the areas of information and communications technology, infrastructure and financing, and international trade. Among the shortcomings of the global financial system was lack of representation for developing countries. There should be a fairer multilateral trading system that eliminated obstacles to WTO membership for developing countries.

117. A major stumbling block to development for many countries was external indebtedness, which tied up resources that should be invested in development. His country suffered from a debt burden that had the effect of reducing growth rates, prolonging internal conflicts and limiting access to ODA. The Sudan continued to be denied the assistance to which it ought to be entitled under the Heavily Indebted Poor Countries (HIPC) Initiative, among other things because of the unilateral economic sanctions imposed on his country by certain States. Those sanctions also blocked the Sudan from importing improved seeds and agricultural equipment and prevented it from exporting its products. His delegation looked forward to the emergence of a more equitable international economic order in the wake of the adoption of the 2030 Agenda and the Addis Ababa Action Agenda.

118. **Mr. Jawhara** (Syrian Arab Republic) said that trade was becoming increasingly recognized as an engine of development. That made it all the more imperative to eliminate politicization of the WTO membership process and restrictions on the access of agricultural products from developing countries to the world market. In its response to the report of the

Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/70/152), and also in a recent letter to the Secretary-General and the President of the Security Council (A/69/930–S/2015/414), his Government had detailed the negative impacts of the decisions by the United States of America and the European Union to extend unilateral economic measures against the Syrian Arab Republic through 2016. Those measures targeted such vital sectors of the economy as banking, health, energy and trade at a time when the Syrian Arab Republic was struggling to respond to the humanitarian needs of victims of terrorism.

119. It was preposterous for United Nations agencies, such as the Economic and Social Commission for Western Asia, to characterize the damage done by such measures as “unintentional”. United Nations resolutions had categorically prohibited the imposition of any unilateral economic, financial or trade measures against developing States. Calling such unilateral measures by different names, such as “smart sanctions”, the term used by the fraudulently named Group of Friends of the Syrian People, did not make them any less of a violation. Monitoring the effects of such measures required a professional approach that took into account their direct and indirect effects on all economic and social sectors while steering clear of politicization. As the world entered a historic new phase following the adoption of the 2030 Agenda, the international community should prioritize the elimination of unilateral economic measures against developing States.

120. **Mr. Meza-Cuadra** (Peru) said that because Peru had implemented an ambitious transformation in just one generation, its people knew that significant change was possible. The changes there had been based on sound macroeconomic management and respect for the rule of law. The economy had been strengthened through private investment and openness to international trade, leading to sustained growth of approximately 6 per cent a year since the early 2000s.

121. Peru had thus been able to meet the Millennium Development Goals. In 2000, more than half of Peruvians had been poor. Currently, less than one quarter were. However, the people of Peru were aware that there were limits to potential, often owing to structural and systemic issues. Economic growth alone was not sufficient to achieve sustainable development. For that reason, the Government of Peru had adopted a national development strategy based on social inclusion and the idea that inclusion led to growth. Citizen were the primary development actors, because of their entrepreneurial potential. Equal opportunities were essential, and it was for that reason that the Government was promoting financial inclusion and digitization of payment methods, an area in which public-private partnerships could play a key role. The delegation of Peru was promoting a resolution on that important topic so that the United Nations system could not only follow up and review implementation of targets and commitments, but also ensure coherence of the various initiatives within the framework of a renewed global partnership for sustainable development.

122. In Peru, there were serious challenges to addressing poverty eradication and achieving sustainable development. Although Peru was classified as a middle-income country, there were inequalities and structural limitations that hampered its capacity to invest and redistribute. Peru was also particularly vulnerable to a slowing of global economic growth and to fluctuations in the prices of its commodity exports, as well as to the effects of climate change, owing to its tremendous biological diversity.

123. More than 70 per cent of the world’s poor resided in middle-income countries. They were adversely affected by the use of average income criteria to evaluate the distribution of ODA and tariff preferences. That system was inconsistent with the principle of leaving no one behind. The Second Committee should follow up promptly on the commitments made in Addis Ababa, especially in measuring multidimensional poverty, in accordance with Sustainable Development Goal 1.

124. A renewed global partnership for sustainable development was needed to promote greater technical cooperation and access to technology as well as an enabling international environment for sustainable development. Peru was focusing on technological integration and research and development efforts. Regional innovation clusters and productive linkages would integrate small and medium enterprises into regional and global value chains. In that context, Peru welcomed the establishment the Technology Facilitation Mechanism.

125. **Mr. Buchwald** (Vanuatu) said that for small island States whose ability to benefit from economies of scale was limited, trade provided access to larger markets. Small island States had high-value products and services that could compete in the global marketplace, as water from Fiji and beef from Vanuatu had recently demonstrated. However, non-tariff barriers remained a major challenge. Effort and cooperation were needed to overcome regulatory divergences and other non-tariff measures to facilitate trade by streamlining national and international legislation.

126. Facilitating international trade was indeed a prerequisite to overcome the limited ability of small island States to exhaust economies of scale. Vanuatu therefore welcomed the Agreement on Trade Facilitation as a step in the right direction. Pacific regional institutions had been working to lower trade costs, and some tangible progress had been made. The Doha Development Round must specifically take into account the special case of least developed countries and small island developing States.

127. Productive capacity in developing countries, and especially in small island developing States and least developed countries, also needed to be addressed and enhanced. The provision and maintenance of key infrastructure, such as ports, roads, power generation facilities and information and communications technology remained expensive. However, such infrastructure was key for small island developing States and least developed countries because it reduced the costs of trade and increased the capacity and ability to participate effectively in the multilateral trading system. In that context, Vanuatu invited all partners from developed and developing countries to strengthen existing partnerships and develop new ones that would assist small island developing States and least developed countries in expanding their trade capacities and in reducing the structural barriers that inhibited trade.

128. Vanuatu welcomed the establishment of the Trade Facilitation Agreement Facility, a promising initiative that would support the implementation of trade agreements. Aid for trade was very important, and its initiatives must be implemented.

129. The service sector in small island developing States had grown rapidly in recent years. However, that growth was unstable and benefited only a small part of the population; in some cases, the service sector comprised 70 per cent of the economy, while only 30 per cent of the population worked in the sector. The vast majority still worked in the agricultural sector, mostly at a subsistence level. Infrastructure that facilitated trade in services was in place, but it was also crucial to expand linkages between the service and agriculture sectors, which would provide great potential for sustainable development. It was also essential to shift the economies of developing countries from raw materials to value-adding products with a competitive advantage, in order to maximize economic gains.

130. **Ms. Yeshmagambetova** (Kazakhstan) said that the world economic crisis had clearly shown the need for effective mechanisms to maintain a balance between the three pillars of sustainable development. To that end, the Government of Kazakhstan was pursuing institutional reforms aimed at ensuring the provision of public services; industrialization and diversification; national development for a common future; and the creation of a transparent, liberal and accountable State based on the rule of law.

131. Member States of WTO had formally adopted the terms of accession for Kazakhstan at the General Council meeting in July 2015. Kazakhstan would need to ratify the acceptance by the end of the year in order to officially become a WTO member, bringing to a close a process begun in 1996, when Kazakhstan had first applied to join the Organization. Accession was the outcome of many practical steps, including economic and legal reforms undertaken to prepare the country to draw maximum advantage from the global multilateral trading arrangement represented by WTO. Accession would have a major economic, systemic and human impact, with benefits that included job creation and higher incomes. As a new member of the Organization, Kazakhstan would pursue a number of challenging yet necessary reforms that would maximize membership benefits and allow the country to engage with others without impediment.

132. While geographical isolation from global markets and unimpeded access to international trade were great obstacles to development, economic integration and cooperation with international partners could change the situation. However, the global economic slowdown and financial difficulties in a number of markets had placed tremendous downward pressure on energy and raw material prices. The problem had been

compounded by the ongoing tit-for-tat sanctions and tensions between major global players and Kazakhstan's key trade partners. Nevertheless, Kazakhstan remained undeterred, continuing to adapt its strategies to prevailing conditions without losing sight of its aspirations.

133. With regard to ODA commitments in the Addis Ababa Action Agenda, Kazakhstan was finalizing the establishment of a national agency for ODA. Kazakhstan was the only net contributor country in Central Asia, providing humanitarian aid both bilaterally and through multilateral channels.

134. Kazakhstan had taken practical steps with regard to the reconstruction of Afghanistan, allocating $2.38 million to build social infrastructure there and providing $17 million in humanitarian food aid and $50 million to train 1,000 Afghan students in universities in Kazakhstan.

135. As the largest landlocked country, Kazakhstan was interested in improving infrastructure and increasing capacity for the transit of goods to international markets by all of the geographically vulnerable countries. The railway route from Kazakhstan, Turkmenistan and the Islamic Republic of Iran to the Persian Gulf, launched in 2014, would provide up to 10 million tons of cargo annually. Another rail route through Uzbekistan, Turkmenistan, the Islamic Republic of Iran, Oman and Qatar had also significantly increased international transit capacity in the region.

136. The Government of Kazakhstan had created an international financial centre in Astana that would use EXPO 2017 facilities, have an independent administration and act according to principles of British law, with English as the main language. Following EXPO 2017, the Government proposed to create an international centre in Astana, under United Nations auspices, for the development of green technologies and investment projects. The centre would facilitate technology development and transfer to developing countries.

137. Kazakhstan had put forward an initiative at the recent summit for the adoption of the post-2015 development agenda, proposing that all Member States allocate 1 per cent of their military spending to a special fund for the Sustainable Development Goals.

138. Over the past decade, Kazakhstan had attracted more than $200 billion in foreign direct investment (FDI), which gave an indication of the country's high investment potential.

139. **Mr. Benmellouk** (Morocco) said that financing posed the greatest challenge to the achievement of the Sustainable Development Goals. Consensus on the matter was necessary. The international community must work to uphold the commitments contained in the Addis Ababa Action Agenda in order to ensure appropriate financing for sustainable development. Donors must therefore honour their ODA, debt relief, market access and technology transfer commitments. Above all, they must implement monetary, financial and trade policies favourable to development.

140. Innovative financing measures, which had repeatedly proven their effectiveness, were essential to the 2030 Agenda. Their use must be expanded, including by States Members of the United Nations, the private sector and philanthropic organizations. Domestic resources must be mobilized through tax reform, improved governance, promotion of the rule of law, anti-corruption measures and policies to address illicit financial flows, linked to appropriate development policies.

141. An enabling environment for investment must also be established. The donor community should therefore support implementation of the conditions necessary to support entrepreneurship and attract private capital.

142. South-South and triangular cooperation held great potential for growth and jobs. The United Nations system should provide appropriate support for such cooperation, especially the efforts of developing countries.

143. More than ever, middle-income countries needed targeted cooperation adapted to their specific financing needs and their ambition to drive economic growth and development at the regional level. Accordingly, cooperation with middle-income countries should be readjusted, to provide them with targeted support and increase their engagement in global governance mechanisms.

144. Owing to its resources and assets, Africa should be at the centre of international development cooperation. Yet Africa was tremendously behind in terms of human development. In that regard, the

delegation of Morocco reiterated its appeal for a support plan to be developed for the economic transformation of Africa that would include stable and predictable financing and mechanisms for assessing its implementation. Such a plan would aim to contribute to the emergence of Africa as a world growth hub able to generate its own financing and reduce its dependence on outside sources.

145. **Ms. Derderian** (United States of America) said that, as the world's largest bilateral provider of development assistance, the United States remained committed to supporting partner countries through effective, transparent aid that targeted the most vulnerable, and directed one third of its ODA towards the least developed countries and sub-Saharan Africa. Private resources currently represented a significantly greater share of financing for developing countries than ODA. That was not, however, because ODA had shrunk. Indeed, it was at historically high levels. It was rather an indication of the success achieved in resourcing economic development. Greater sums of money were being raised from growing economies, and more money was moving across borders, through trade and investment. While ODA remained an important resource for those least able to access international capital markets, the Addis Ababa Action Agenda had rightly recognized that ODA would increasingly serve as a catalyst for unlocking private sector resources. Blended streams, such as risk guarantees or public-private partnerships, were good examples of that. ODA could also help developing countries raise their own revenue.

146. The Addis Ababa Action Agenda embodied the recognition of the international community that domestic resources, private investment and development assistance all had a role to play in fulfilling the ambitious new Sustainable Development Goals. Domestic resource mobilization was crucial to ensuring the sustainability of development efforts. The United States was therefore committed to significantly increasing support to build effective revenue and expenditure systems and was working with its African partners to prevent the cross-border movement of proceeds from corruption and crime, including through the United States-Africa Partnership to Combat Illicit Finance.

147. Women were key drivers of broad-based, inclusive growth, and understanding that was crucial to domestic resource mobilization. Policies that unlocked women's economic potential could boost global GDP by up to 12 per cent.

148. Rather than reopening the spirited debate that had led to the successful outcome in Addis Ababa, it would be important, moving forward, to focus efforts on implementation. In that regard, her delegation appreciated the opportunities to discuss the follow-up and review processes outlined in the Addis Ababa Action Agenda, including the new annual forum on financing for development follow-up. It would engage constructively in that effort while seeking to avoid any duplication with the work of the Second Committee.

149. Growth could be stronger and more balanced. Anticipated tightening of monetary policy in some advanced economies and financial turbulence in some large emerging economies had created uncertainty. It would be a mistake, however, to let that undermine the political will to complete needed structural reforms and further diversify economies dependent on commodity exports.

150. It was important to agree on the critical need to keep capital markets functioning effectively and on the importance of access to lending for development. As a creditor, the United States had provided significant debt relief, including through the HIPC Initiative and the Multilateral Debt Relief Initiative and, working collectively with other creditor nations, had participated in roughly 350 debt treatments for States in distress through the Paris Club. Her delegation wished to find a way to discuss those issues without getting bogged down in well-documented disagreements about sovereign debt restructuring. The focus should be on potential areas of consensus and the broader universe of debt-related issues.

151. Trade remained a major driver of global economic growth, prosperity and development. Liberalization of trade must continue, and the rules-based international trading environment must be deepened, resisting protectionism. The recent conclusion of the Trans-Pacific Partnership trade negotiations had made it clear that the United States was not alone in that conviction; the view was shared by numerous developing and developed countries. Considerable untapped development potential in trade remained, both globally and regionally among developing countries. The United States was committed to realizing that potential through programmes that built trade capacity and other trade

facilitation efforts, including entry into force and implementation of the Agreement on Trade Facilitation. It was gratifying to see increased attention to intraregional trade, including through analysis coming out of the United Nations system, as well as a growing awareness of the importance of services to intraregional trade. Until recently, that had been underemphasized. The United States also welcomed the serious discussion of an Africa-wide free trade area, which reflected awareness of the potential for trade among developing nations to promote growth and development. With the Tenth WTO Ministerial Conference approaching, members should respect the division of labour between international organizations and tread cautiously around issues under the purview of WTO, particularly at the current sensitive stage of its discussions.

152. **Mr. Bankole** (Nigeria) said that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system and meaningful trade liberalization were needed to galvanize and stimulate economic growth and development.. Nigeria therefore called for a speedy conclusion to the Doha Round.

153. His Government had designed an inclusive economic agenda that recognized trade and foreign direct investment as key drivers of growth and sustainable development. It had made concerted efforts to diversify to non-oil sectors, such as agricultural crop exports and solid mineral exploration.

154. Remittances were a major source of financing for development for developing countries and provided a source of external financing that could enhance social and economic development, especially in education, health and poverty reduction. Remittances had a very positive impact on the national economies of developing countries, and the potential role of migrants as sources or facilitators of knowledge and technology, and as trade and investment links, could not be overemphasized. Global efforts to boost remittances would require policy action, the development and diversification of the financial sector and private investment.

155. Domestic and regional development policies should be designed to reduce transaction costs and promote greater financial inclusion and credit provision for small and medium-sized enterprises. In that regard, the monopoly enjoyed by money-transfer operators, which limited competition, had tended to increase the cost of sending money. Other stakeholders, including post offices, savings and credit cooperatives and microfinance institutions, should be embraced, to provide tailor-made financial products for the rural population in developing countries.

156. It would not be easy to create a new regime of stable and responsive international financial institutions. The effects of the present imbalances continued to undermine developing countries' capacity to withstand and respond to the global economic crisis, leading to increased poverty, hunger and an overall development deficit. More concrete initiatives were needed to bridge the financing gap through increased FDI and fulfilment of ODA commitments. Aid flows should be focused on national realities and free of unrealistic conditionalities. Aid to developing countries must be complementary and development-oriented, making beneficiaries self-sufficient and building national capacities.

157. Holistic reform of the global financial architecture should enhance the resilience, transparency and capitalization of the international financial system. Narrow national and group interests should be resisted and the defective status quo redressed so that a new, equitable, transparent and inclusive world order could take shape.

158. The sovereign debt crises had aggravated infrastructural deficits, unemployment and cuts in public spending, including on health and education. The importance of external debt sustainability to the achievement of national goals, including implementation of the Sustainable Development Goals, could not be overstated.

159. Illicit financial flows abroad were a major setback to economic growth in Africa. According to some reports, outflows from Africa between 1970 and 2008 had reached $854 billion or perhaps even more. Illicit flows posed a serious threat to sustainable development. The missing resources could have supported infrastructure and socioeconomic growth and development. The situation required collective action by the United Nations. Destination countries and all States Members of the United Nations must put in place legislation that would discourage the existence of safe havens, as well as other rules to deter the illicit transfer of funds. Member States that had not yet done so should accede to the United Nations Convention against Corruption.

160. Nigeria was taking steps to plug loopholes and institute enforceable measures to address the challenge of illicit transfers of funds, including disclosure of sources of transfer. The global community must strengthen mechanisms to dismantle safe havens for the proceeds of corruption, and ensure the recovery and return of stolen assets to their countries of origin, including Nigeria.

161. **Ms. Lu** Mei (China) said that following adoption of the 2030 Agenda, it was vital for the international community to remain seized of macroeconomic policy issues, better coordinate related policies, pay close attention to long-term factors in the world economy and create an enabling policy environment for developing countries.

162. It was necessary to establish a new international financial order that was fair, inclusive, equitable and orderly, and important to improve the international development environment, optimizing development partnerships, enhancing all countries' development capacities, narrowing the North-South divide and achieving fair, open, comprehensive, innovation-driven development. The reforms should adhere to a comprehensive, balanced, progressive, effective approach focusing on improving the international economic and financial governance system; giving emerging markets and developing countries greater representation in international financial institutions and the international monetary system; and urgently implementing the 2010 International Monetary Fund quota and governance reform package.

163. The global financial regulatory system should be improved, with increased oversight of developed economies hosting major financial centres, and of their macroeconomic policies. The international monetary system needed more highly developed mechanisms for managing the supply of reserve money and maintaining a relatively stable exchange rate among major reserve currencies. The development and poverty reduction functions of international financial institutions should be strengthened, especially with regard to narrowing the North-South divide.

164. Whenever a recipient country ran into difficulty servicing a mature government debt, China invariably found a proper solution that minimized the burden on the country in question. Since 2000, China had written off, with no strings attached, seven interest-free loans to developing countries that had diplomatic ties to China. To date, China had signed debt relief protocols with 50 countries in Africa, Asia and the Caribbean and Pacific regions, cancelling 395 mature debts totalling $4.7 billion.

165. At the recent summit for the adoption of the post-2015 development agenda, the President of China had announced the latest in a series of major debt relief initiatives taken by the Chinese Government, under which his Government would write off all outstanding intergovernmental interest-free loans due from least developed countries, landlocked developing countries and small island developing States during the current year. China would fully honour its international debt relief commitments in order to help developing countries implement the 2030 Agenda.

166. The international community should maintain a free, open and non-discriminatory multilateral trading system and reject exclusive trading standards, rules and regimes, to avoid fragmentation of the global market trading system. The international community should consider the multilateral trading system represented by WTO as the main vehicle of global trading rules, with regional trade liberalization as its useful supplement.

167. Regional trade arrangements should comply with WTO rules and contribute to a stronger multilateral trading system.

168. Developing countries needed help to integrate into the global value chain. That could be done more effectively through aid for trade, capacity-building, the promotion of transnational investment and the facilitation of trade investment and information technology. The international community should support developing countries in strengthening their infrastructure development and engage in international cooperation on the issue of production capacity, in order to inject fresh vitality into global trade and the world economy.

169. International cooperation should be stepped up to control commodity price volatility, make industries more competitive, improve market governance and operations, and lower dependence on commodities.

170. Financing for development was an important dimension of the 2030 Agenda. While international development cooperation had made progressed since 2000, development in the South and North was woefully imbalanced, and developing countries were confronted with many bottlenecks in their

development. Adequate development resources were an important foundation for international development cooperation. The international community should intensify financing for development and work together to address developing countries' concerns for a win-win outcome. Developed countries should honour their ODA commitments, further their debt relief and market access efforts and build better linkages between ODA and the actual needs of the recipient countries, with more ODA channelled into poverty reduction, health, education and infrastructure.

171. China was the largest developing country and an active player in and contributor to global development cooperation. For decades, China had done its utmost to provide aid, capital, technology and development experience to more than 120 developing countries. At the recent summit, the President of China had announced the establishment of an assistance fund for South-South cooperation and had expressed continued interest in the development of the least developed countries and programme support for economic development and livelihood improvement in developing countries to help them implement the 2030 Agenda. China and other stakeholders were working diligently on the operationalization of the Asian Infrastructure Investment Bank and the New Development Bank of Brazil, the Russian Federation, India, China and South Africa (the BRICS countries). Those and other initiatives, such as One Belt One Road, which was being developed in partnership with catchment countries, were designed to contribute new public goods to global development.

The meeting rose at 6.05 p.m.