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Official Records

31st plenary meeting
Tuesday, 8 October 2013, 5.45 p.m.
New York

President: Mr. Ashe . . . . (Antigua and Barbuda)

In the absence of the President, Mr. Errázuriz (Chile), Vice-President, took the Chair.

The meeting was called to order at 5.40 p.m.

High-level Dialogue on Financing for Development

Agenda item 18 (*continued*)

Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference

The Acting President: I shall now read the concluding remarks of the President of the General Assembly.

We have come to the conclusion of the sixth High-level Dialogue on Financing for Development. I would like to express my appreciation to all delegations that participated. Their constructive interventions have contributed to the successful outcome of the meeting. I am grateful to the Secretary-General, the Vice-President of the Economic and Social Council and the Secretary-General of the United Nations Conference on Trade and Development for their opening remarks (see A/68/PV29), which were followed by many thoughtful statements by representatives of Member States and institutional stakeholders in the plenary meetings.

I am also very pleased with the valuable contributions of others — institutional stakeholders, civil society and the private sector — who engaged in a true dialogue in our round tables and the informal interactive dialogue. The interactive nature of our discussions and the participation of such a wide range of stakeholders exemplify the inclusive spirit of the financing for development process. All of their remarks have provided an important reminder that we need to uphold the foundations of the global partnership for development as set out in the Monterrey Consensus and the Doha Declaration on Financing for Development, as we accelerate the implementation of the Millennium Development Goals (MDGs) and move towards the post-2015 development agenda.

A full summary of the High-level Dialogue will be made available at a later date. At this point, I would like to highlight some key points expressed over the past two days.

There was a broad consensus among all participants that the Monterrey Consensus and Doha Declaration on Financing for Development provided a strong conceptual underpinning for future discussions on financing for development.

Participants agreed that we should avoid any duplication of effort and arrive at a coherent financing framework for a unified post-2015 development agenda with sustainability at its core. Such a financing strategy should build on existing international agreements, as enshrined in the Monterrey Consensus, the Doha Declaration and related outcomes of major United Nations conferences and summits.

As the world has changed considerably over the past 10 years, the conceptual framework needs to be adapted to new circumstances and challenges, particularly those related to the integration of the social, economic and environmental dimensions of sustainable development. Many of those issues have already been incorporated in the financing for development process. In that context, many participants noted the important role of the recently established Intergovernmental Committee of Experts on Sustainable Development Financing, which will propose options on an effective financing strategy for sustainable development.

Many delegations called for the follow-up international conference on financing for development to be held before the end of 2015, in order for the conference to contribute meaningfully to the post-2015 development agenda. Delegations called for intergovernmental consultations on issues related to the conference, with the participation of all Member States, to begin before the end of 2013. There were also calls for a financing for development commission as a subsidiary body of the Economic and Social Council to bridge the gap between policy-making and the implementation of commitments.

While recognizing that much had been achieved since the Millennium Declaration was adopted, in 2000, we must redouble our efforts to accelerate progress towards achieving the MDGs. Since progress in reaching the development goals has been uneven between and within countries, we must focus on the goals that are most off-track and on countries that face particular development challenges.

More than five years since the global financial and economic crisis, the international financial system continues to be plagued by vulnerability. The sovereign debt crisis in Europe and the uneven global recovery have led to heightened risk aversion. The de-leveraging of financial institutions continues, particularly in Europe.

Although growth prospects for 2014 appear to have slightly improved, risks remain. In particular, unconventional monetary measures adopted in major developed countries have spillover effects on emerging economies. At the same time, there is a risk that an early undoing of those measures could impact the nascent recovery in some developed countries and create additional volatility in developing countries.

While financing needs for sustainable development are extremely large, they represent a relatively small portion of global savings. The challenge lies in facilitating an international financial system that would direct a small amount of investment towards sustainable development.

It is important to extend the regulatory framework beyond the banking sector to the entire financial system, including “shadow” banking. The development and adaptation of international financial regulations would benefit from the greater representation and participation of developing countries in the regulatory reform process.

Institutional investors, such as pension funds and sovereign wealth funds, that have long-term liabilities are an important potential source for long-term financing for sustainable development. However, to date their investment in critical areas, such as infrastructure, environmental financing, innovation and small and medium enterprises, remains limited. It was pointed out that there was a need to better align investor incentives with long-term investment.

Foreign direct investment inflows, one of the most stable private sources of international capital, have been falling globally. However, the decline has been greatest in developed countries, with inflows to resource-rich least developed countries remaining strong. In that context, policies to promote long-term sustainable foreign direct investment are needed, especially in areas such as environmental investments.

In that context, participants stressed that the private sector would not invest unless there were profitable bankable investments. Representatives from the private sector pointed to a number of structural constraints that prevented investment in developing countries, including regulatory risks and weak institutions. It was pointed out that public financing could play a complementary role in helping developing countries overcome those obstacles and in leveraging private financing.

Domestic resource mobilization remains critical. Since it is ultimately driven by inclusive and sustained economic growth, domestic resource mobilization is key to ensuring effective domestic macroeconomic policymaking and an enabling international environment.

Developing countries face a range of common challenges in raising resources, and that is particularly pronounced in the most vulnerable countries. Those countries must continue to build their capacity to collect public revenues. The strengthening of international tax cooperation must continue in that regard. Several delegations proposed to upgrade the Committee of Experts on International Cooperation in Tax Matters to an intergovernmental body.

The pressures on public finances in many donor countries following the global crisis led to a fall in official development assistance (ODA) and a reduction of fiscal space. That development could threaten the gains made by many developing countries, least developed countries in particular, in achieving the MDGs. A renewed effort by major donors is necessary to reach ODA commitments of 0.7 per cent of gross national income (GNI), with a target of 0.15 to 0.20 per cent of GNI to the least developed countries by 2015, taking into account the quality of such aid.

The expansion of South-South cooperation is a welcome development. It should not be seen, however, as a substitute for traditional aid flows, but rather as complementary financing and technical resources for development. There were some calls for increased dialogue among traditional and emerging donors to increase coherence in the aid architecture. In addition, innovative sources of financing were seen as having potential, but should be seen as additional to existing ODA.

There were also calls for an early conclusion to the Doha Round of multilateral trade negotiations of the World Trade Organization (WTO). During the past year, the recovery in world trade following the financial crisis lost momentum, mostly through weakened demand in developed countries. In particular, the least developed countries' share in global trade remains low, at only 1.1 per cent. The Doha Round has the potential to contribute significantly to more equitable and inclusive growth. The ministerial conference of the WTO to be held in Bali in December could lead to progress in important areas, including trade facilitation, agriculture negotiation and development.

Sovereign debt is another important area of development financing. Today, debt overhangs in developing countries are relatively limited. Nevertheless, some developing countries remain critically indebted, and the debt of developed countries continues to pose a risk for the global economy, and therefore needs timely and effective resolution. In order to enhance the role of foreign borrowing for growth and development, efforts are needed to strengthen three pillars: responsible lending and borrowing; debt management; and a framework for sovereign-debt restructuring. There were calls for the United Nations to guide an institution-building process to establish a debt work-out mechanism, with fair and equitable representation of the interests of debtors.

Our discussions over the past two days have been quite instructive and inspiring. We have built momentum towards redoubling efforts in achieving the MDGs and towards advancing the United Nations development agenda beyond 2015. In participants' statements, I heard genuine concern about the uncertainty of development prospects for the world's poorest and most vulnerable, but also for donor countries, which are now faced with mounting debts and tight budgets.

However, I have also sensed optimism that we can come together to meet the challenges of sustainable development. The resources are there; they just need to be allocated effectively. That requires a true multi-stakeholder effort and a global partnership encompassing all stakeholders, in order to expedite the mobilization of financial resources for sustainable development, both public and private, at the national, regional and international levels.

I thank participants very much for their attendance and participation in this event.

I now declare closed the sixth High-level Dialogue on Financing for Development.

The meeting rose at 5.55 p.m.