United Nations A/C.2/67/SR.14

General Assembly

Sixty-seventh session

Official Records

Distr.: General
3 January 2013

Original: English

Second Committee

Summary record of the 14th meeting

Held at Headquarters, New York, on Tuesday, 23 October 2012, at 10 a.m.

Chair: Mr. Stefanile (Vice-Chair) . . . . (Italy)

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12-56423 (E)

In the absence of Mr. Talbot (Guyana), Mr. Stefanile (Italy), Vice-Chair, took the Chair.

The meeting was called to order at 10.15 a.m.

Agenda item 19: Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the 2008 Review Conference (A/67/339 and 353) (*continued*)

1. **Mr. Janjua** (Pakistan) said that despite the progress made in implementing the Monterrey Consensus of the International Conference on Financing for Development much effort was still required to mobilize domestic resources, enhance foreign direct investment in developing countries, realize the development potential of trade, fulfil development assistance commitments, provide debt relief and address systemic issues. The global economic situation and deteriorating climatic conditions had exacerbated development challenges.

2. Work must continue towards the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development, while advancing parallel discussions on the agreement reached at the 2012 United Nations Conference on Sustainable Development (Rio+20 Conference). To that end, there was a need to integrate the various discussions regarding development targets and establish an institutional mechanism to monitor the implementation of the agreed finance mobilization strategies.

3. **Ms. Morgan** (Mexico) said that the International Conference on Financing for Development had afforded all stakeholders in the development process a forum to discuss the challenges posed by financing and to identify all sources that would guarantee the achievement of internationally agreed development goals. Effective follow-up to the Monterrey Consensus was therefore a priority, and her delegation welcomed the guidance on how to strengthen follow-up contained in the report of the Secretary-General (A/67/339).

4. An integrated development agenda must be defined that brought together the debate on financing for development, the process of strengthening the Economic and Social Council, and the initiatives launched at the Rio+20 Conference. Duplication of effort in the follow-up process regarding financing agreed upon at the Conference must be avoided. The Monterrey Consensus must serve not only as the road map for its own implementation but also as a tool to strengthen global economic governance and lend coherence to current discussions of the post-2015 development agenda.

5. **Mr. Charles** (Trinidad and Tobago) said that official development assistance (ODA) must be mobilized in order to provide financial and technical support to developing countries. The price volatility of commodities and other inflationary pressures resulting from the ongoing global financial and economic crises had reduced the fiscal space for development-related activities in developing countries. The global financial and economic institutions thus urgently needed reform in order to improve their responsiveness to the needs of small and vulnerable economies. Moreover, the Committee should redouble its efforts to agree on criteria that would provide a more accurate picture of a particular country's level of development than gross domestic product (GDP) alone, on the basis of which a diverse group of countries had been classified as middle-income at the expense of their ODA entitlement. Any regression in the economies of middle-income countries — a stabilizing force in the global economy — would prove detrimental to all. In that regard, his delegation looked forward to the start of work by the United Nations Statistical Commission to develop broader measures of progress in order to better inform policy decisions.

6. His Government's policies sought to promote private-public partnerships while also creating employment and meeting infrastructural needs, particularly in rural and remote areas. Efforts were also under way to enhance revenue collection through improved tax administration and compliance, as well as to implement a tax amnesty.

7. The current system of financing for development had failed to deliver on commitments and lacked coherence with other related United Nations initiatives. Moreover, political commitment to the financing for development follow-up had steadily declined since 2002.

8. With the post-2015 development agenda in the planning stages, the international community had agreed to establish an intergovernmental expert committee to address the issue of financing for sustainable development. As part of its mandate, that committee should explore arrangements for strengthening the financing for development follow-up process.

9. **Ms. Miranda** (Peru) said that it was essential for all United Nations development efforts to coalesce under a single agenda, with a clearly defined framework for executing it. Coherent leadership and firm political will were needed in a turbulent economic climate, and she welcomed the steps taken at the 2012 Group of 20 Summit to address the global financial crisis; however, the failure by the Group to eliminate protectionist measures was alarming. All such measures must be eliminated in the hope of achieving a satisfactory conclusion to the Doha Development Round of trade negotiations and thereby facilitating a more rapid global economic recovery.

10. Her delegation called on developed countries to abide by their ODA commitments, in terms both of the amount of resources pledged and of improved transparency and effectiveness in delivering the assistance with reduced conditionalities. The international financial architecture must be reformed in a manner that would increase its coherence and improve the coordination of macroeconomic policy, ensuring adequate representation of developing countries in economic decision-making.

11. The current economic climate and the challenges it posed attested to the need to strengthen follow-up to the Conference on Financing for Development. A follow-up conference which would enable the international community to translate dialogue into effective action, eliminate duplication of effort, and consolidate the economic, social and environmental dimensions of sustainable development should be held prior to the final formulation of the Organization's post-2015 development agenda, so as to provide input to it. The process must also define the role of the Economic and Social Council in implementing the financing for development agenda and ensuring the coherence of the trade, financial and monetary systems.

12. **Mr. Koudougou (**Burkina Faso) said that ODA alone was insufficient to combat extreme poverty and climate change, as well as inherently unstable, linked as it was to the changing political and budgetary imperatives of developed countries. Foreign direct investment benefited African countries unequally, with some attracting the majority of private financial flows while more vulnerable ones were compelled to grant investors overly favourable fiscal terms. In contrast to the inadequacy of both sources of financing, innovative financing mechanisms had made a significant contribution to development in Burkina Faso.

13. In recent years, the country had benefited from public-private partnerships, most notably in the areas of health, education, public transport and communications. His Government held an annual meeting with private stakeholders, and had established a framework for cooperation between Government and non-governmental entities and created an office for the promotion of public-private partnerships. With regard to climate change, Burkina Faso was working in cooperation with multilateral institutions to reap the benefits of Adaptation Fund projects under the Clean Development Mechanism scheme.

14. **Mr. Biya** (Cameroon) said that despite the progress made by African countries towards fulfilling their obligations under the Monterrey Consensus, particularly with regard to mobilizing national funds, the resources so raised remained insufficient. Faced with a decline in external sources of financing, including foreign direct investment, Cameroon had undertaken to draw up a partnership strategy for development, establishing a framework that made possible efficient management of external funds for national development. Efforts to strengthen national trade capacity included modernizing the port of Douala. His Government had also extended trade and humanitarian assistance to neighbouring landlocked countries.

15. His Government's strategy document for growth and employment set out measures aimed at strengthening the capacity of financial institutions to expand financial services to those who lacked access to them, diversifying the banking system and promoting micro-financing and microcredit initiatives.

16. The challenges faced by developing countries and their partners in the area of development cooperation could be addressed by better regulating financial flows, improving the forms of assistance available to different countries and promoting equitable trade. Full account must be taken of the principles set out in the Monterrey Consensus and the Doha Declaration. Cameroon therefore supported the establishment of a commission on financing for development as a subsidiary body of the Economic and Social Council, and looked forward to the holding of a follow-up conference on financing for development in 2013.

17. **Mr. Mero** (United Republic of Tanzania) said that given the global economic slowdown and the particular challenges posed by the energy crisis, a

paradigm shift in policy development and implementation was required. Even prior to the adoption of the Monterrey Consensus and other subsequent development-related initiatives, his Government had taken various steps to fulfil its international obligations. Its National Vision 2025 programme, targeting the mainland, along with Zanzibar Vision 2020, aimed at achieving good governance and building a competitive economy capable of producing sustainable growth and shared benefit, with a view to eliminating abject poverty and achieving middle-income status. In spite of its efforts to attain the Millennium Development Goals (MDGs), challenges persisted, including inadequate energy, education and health facilities.

18. His country's strong economic performance in recent years had benefited from a sound macroeconomic policy framework, progress on structural reforms and substantial private sector involvement. If the international community was serious about reducing poverty, the solution was to cancel the least developed countries' overall multilateral debt, thereby enabling them to mobilize resources for development, something his Government fully intended to do.

19. In the aftermath of severe droughts and floods caused by climate change, his Government was working to improve its preparedness to adapt to and mitigate such impacts. Urgent global action was needed to curb greenhouse gas emissions, and his delegation called for the agreement on financing for climate change first set out at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to be operationalized. Moreover, his Government supported efforts to develop alternative energy sources. The technology gap between developed and developing countries was widening, and he stressed the need for technology transfer that would hasten developing countries' progress towards the MDGs.

20. **Mr. Diallo** (Guinea) said that the decrease in ODA in 2011 had jeopardized the progress achieved by developing countries towards internationally agreed development goals, including MDGs. It was therefore crucial that the commitments pertaining to financing for development set out under the Monterrey Consensus and the Doha Declaration be met promptly.

21. His Government was seeking to mobilize domestic resources, ensure that assistance was effective, improve the business environment, develop public-private partnerships and promote innovative sources of financing for development. In 2011, Government revenue had amounted to 16.9 per cent of GDP.

22. Given the limits imposed by the financial and economic crisis on traditional financing mechanisms, Guinea had explored innovative ways of raising additional funds, such as promoting migration and levying a tax on plane tickets. Economic reforms had enabled it to reach the completion point of the Heavily Indebted Poor Countries Initiative, entitling it to debt relief in the amount of over 2 billion dollars which would become available for reinvestment in priority areas for development, restoring the Government's credibility and relationship with its creditors and improving its access to foreign sources of funding, all of which would pave the way for sustainable development.

23. **Ms. Mpokosa** (Zambia) said that least developed countries were in particular need of effective regulatory frameworks in order to allay investors' fears of economic volatility and attract foreign direct investment. Zambia had adopted new measures aimed at mobilizing external resources and signed a joint assistance framework to harmonize the contributions of its development partners. However, contributions were 55 per cent below target. Her Government called upon cooperating partners to honour their ODA commitments in line with international agreements.

24. While Zambia's mobilization of domestic resources had improved, much remained to be done, especially with regard to broadening the tax base. Government measures included a private sector development reform programme to foster an environment conducive to business and the development of multi-facility economic zones to provide infrastructure and lower costs for companies.

25. Zambia's financial sector development programme aimed at modernizing and harmonizing relevant laws, increasing access to finance and bolstering competition. It was important to establish duty-free and quota-free market access for the least developed countries; she thanked all parties that had worked towards that end, and called on Zambia's

partners for assistance with agricultural processing technology transfer.

26. **Mr. Hassan** (Sudan) said that as a least developed country coming out of crisis, Sudan was particularly interested in development financing and technology transfer in support of its efforts to achieve the MDGs, especially in the area of agriculture, as well as in debt relief. Over the years, it had relied to a great extent on development assistance, but sanctions had prevented it from achieving sustainable development. Moreover, ceding South Sudan had cost it 90 per cent of its oil revenues, hence the need for the ODA pledged by the international community to develop infrastructure, particularly the Merowe Dam, Africa's largest hydropower project, which would contribute to mitigating climate change by producing clean electricity.

27. With regard to trade, his Government called for the reform of the Bretton Woods institutions, as their fairer, more democratic and transparent functioning would benefit the least developed countries. In closing, he urged Member States to adhere fully to the Monterrey Conference and the Doha Declaration ahead of the follow-up conference scheduled to occur in 2013.

28. **Mr. Ovalles Santos** (Bolivarian Republic of Venezuela) said that the measures taken by some developed countries to mitigate the impact of the global financial and economic crisis had adversely affected the ability of developing countries to finance development and combat poverty. His Government supported the proposal to establish a commission on financing for development as a subsidiary body of the Economic and Social Council, to bridge the gap between policymaking and implementation of commitments. Member States must also support efforts to strengthen the financing for development process, so as to enhance the coherence and consistency of the financial and trading systems in support of the implementation of the internationally agreed development goals. In particular, the United Nations should strengthen its role in promoting the implementation of the Monterrey Consensus and the Doha Declaration.

29. The unsustainable debt burden of emerging economies made it essential for the international community to examine options for an effective, fair and development-oriented debt restructuring and debt resolution mechanism. Financial resources must be mobilized promptly to promote both liquidity and development. In that regard, the expansion of special drawing rights allocations was an effective, low-cost measure to boost liquidity quickly, allowing developing countries to meet their external financial gap and to implement counter-cyclical policies in order to mitigate the impact of the crisis.

The meeting rose at 11.20 a.m.