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Chair: Mr. Jürgenson . . . . (Estonia)

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17-17573 (E)

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

Agenda item 17: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/72/15 (Part I), A/72/15 (Part II), A/72/15 (Part III), A/72/15 (Part IV), A/72/15 (Part V), A/72/274 and A/72/307)

(b) International financial system and development (*continued*) (A/72/306)

(c) External debt sustainability and development (*continued*) (A/72/253)

(d) Commodities (*continued*) (A/72/254)

(e) Financial inclusion for sustainable development (*continued*)

(f) Promotion of international cooperation to combat illicit financial flows in order to foster sustainable development (*continued*)

Agenda item 18: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (*continued*) (A/72/114-E/2017/75)

1. **Ms. Loe** (Norway) said that the Addis Ababa Action Agenda of the Third International Conference on Financing for Development had made it clear that a more comprehensive approach to development financing was required in order to meet the ambitious goals embodied in the 2030 Agenda for Sustainable Development and the Paris Agreement under the United Nations Framework Convention on Climate Change.

2. In order to ensure effective follow-up in that context, official development assistance (ODA) would continue to be important and Norway remained committed to spending a full 1 per cent of its gross domestic product (GDP) as ODA, largely in least developed countries. However, ODA alone could not transform societies and must be used to leverage additional sources of financing. Multilateral development banks had recently introduced several innovative measures in that regard.

3. Private sector growth could be decisive in mobilizing domestic resources. However, that would entail more effective and broader tax collection. Low-income countries should also be protected from the harmful effects of tax base erosion and profit-shifting.

4. It was crucial to curb massive illicit financial flows. The momentum gained on that issue over the previous decade was very encouraging and must be maintained.

5. Trade was crucial for development and growth and the fight against poverty could not be won without trade, increased production and job creation. As protectionism and isolationism would only reverse development, a shared commitment to a rules-based multilateral trading system with the World Trade Organization (WTO) at its core was imperative. There should be greater use of trade as a development policy instrument to help integrate the poorest countries into the global economy.

6. While borrowing was important for financing investment, there were signs of debt accumulation and distress in some countries. Expensive lessons from recent history must not be repeated.

7. Multi-stakeholder partnerships were needed at the national, regional and global levels, and such partnerships had achieved good results. Indeed, new financing for development partnerships were a prerequisite if the transformative change called for by the 2030 Agenda was to be achieved.

8. The need for inclusive growth had become self-evident and few things made more economic sense than gender equality and women’s empowerment. Providing opportunities for everyone was the most important prerequisite for the realization of the Sustainable Development Goals.

9. **Ms. Engelbrecht Schadtler** (Bolivarian Republic of Venezuela) said that, in a world marked by uncertainty and the threat of intervention in sovereign States, respect for the United Nations Charter was more important than ever. Owing to the socioeconomic challenges impacting the implementation of the 2030 Agenda, resource mobilization would be critically important for the eradication of poverty in all its forms and dimensions.

10. The developed world must do more to make the necessary changes to the global economic system and to financing for development. Her Government had been raising the alarm about the obvious effects of the crisis in capitalism. The discussion should centre on redefining the system for greater justice and equity rather than strengthening it.

11. It was imperative for countries to support their own development by maintaining sovereignty over their natural resources and directly obtaining the related benefits without the involvement of transnational corporations. Countries must also work together to combat the ongoing plundering of their resources as a result of illegal trafficking, the

concealment of funds, tax evasion and other mechanisms afforded by the use of tax havens.

12. Unilateral and coercive economic, financial and commercial measures, such as those imposed against her country, did nothing to contribute towards socioeconomic development. The international community must therefore act decisively to lift such measures.

13. There was an increasing need for financing for development in order to implement the 2030 Agenda; it was therefore essential to fulfil the commitments of the Monterrey Consensus, the Doha Declaration on Financing for Development and the Addis Ababa Action Agenda. In that context, her delegation once again called on developed countries to fulfil their historic responsibility and allocate 0.7 per cent of their GDP as ODA in order to contribute towards poverty eradication. In addition, the international community should work together to improve the work of the Economic and Social Council’s forum on financing for development follow-up, as the main body dealing with such matters.

14. Debt problems arising from distortions caused by the neo-liberal capitalist model must be remedied by the creation of new mechanisms, and debt relief financing must not have a negative effect on social development programmes. The international community, especially developed countries, must commit to supporting countries whose debt sustainability had been affected. In that context, she acknowledged the work done by the United Nations Conference on Trade and Development on debt management and sovereign debt and called for continued work towards the establishment of an international debt restructuring mechanism within the United Nations framework, as well as joint efforts for the alleviation and management of debt.

15. **Mr. Ali** (Iraq) said that high external debt levels were impeding development in numerous States, as well as undermining their national institutions and economic stability. Developing countries were disproportionately affected by high external debt, despite the fact that their public debt burdens as a proportion of GDP were often lower than those of developed countries. To facilitate developing States’ efforts to promote socioeconomic development, it was essential that every effort was made to reduce their public debt levels. Indeed, external debt forgiveness coupled with economic reform could empower developing countries with weak economies to retain their most skilled workers and achieve prosperity for their citizens.

16. Iraq, in cooperation with the World Bank and International Monetary Fund, closely monitored its public debt levels. It also carefully considered the actions proposed by relevant international institutions with a view to addressing the ongoing economic crisis in Iraq, which stemmed from the fall in global oil prices, the extremely high cost of the war against terrorist gangs belonging to Islamic State in Iraq and the Levant (ISIL), and the cost of rebuilding heavily-damaged cities in liberated areas. Iraq urged the international community to provide it with the economic, humanitarian and cultural assistance it needed at that critical juncture in its history. Indeed, supporting Iraqi efforts to move forward and achieve sustainable development would promote the stability and prosperity of the countries neighbouring Iraq and the wider Middle East region.

17. Following its imminent victory over the ISIL terrorist gangs, which would be achieved by the end of 2017, Iraq would be able to allocate a much higher proportion of its financial resources to national development initiatives, particularly given the country’s low public debt burden, which currently stood at less than 60 per cent of GDP. In 2015, Iraq had made payments to its creditors totalling some $400 million, and it would continue to make regular payments to reduce its external debt burden, including interest accrued. Furthermore, in 2017, Iraq had successfully reduced its budget deficit and increased its non-petroleum sector revenue. The Iraqi Government would continue its efforts to diversify the national economy in order to reduce its dependency on oil.

18. **Mr. Phansourivong** (Lao People’s Democratic Republic) said that global growth, trade and investment were improving despite uncertainty in the global economic outlook. That boded well for financing for development because, with strong political will, the recovery would translate into more resources for the implementation of the 2030 Agenda.

19. The strong commitments made under global development initiatives must now be transformed into concrete action and the effective implementation of the Addis Ababa Action Agenda was imperative in that context. His country had made great efforts to mobilize more domestic resources and promote economic growth; in parallel, it had worked to improve revenue administration through improved tax policy and collection, and it had invested in improved infrastructure and connectivity to support regional integration and stimulate trade.

20. However, as a small, landlocked developing country, the Lao People’s Democratic Republic relied

on ODA. His delegation therefore called on developed countries to fulfil their ODA commitment to least developed countries. It also called on international organizations, financial institutions and United Nations agencies to scale up support for developing countries, especially least developed and landlocked developing countries, to help them implement global development agendas. Developed countries must also facilitate market access for products from those countries by implementing the Generalized System of Preferences and by promoting enhanced cooperation on trade and transit facilitation.

21. In the short to medium term, his Government was committed to mobilizing all potential resources to achieve the Sustainable Development Goals, eradicate poverty and graduate from the least developed country category. In the long term, it was committed to industrialization and modernization.

22. **Ms. Srisawang** (Thailand) said that the Sustainable Development Goals and targets would not be achieved by 2030 unless the necessary means of implementation were strengthened, particularly under the Addis Ababa Action Agenda. As better global economic governance was also required, her delegation supported reform of international financial architecture, particularly the Bretton Woods institutions, and called for developing countries to have more say in global economic and financial decisions in order to build an enabling environment for trade and development for all.

23. Freer and fairer trade was needed to drive inclusive and sustained growth. In that regard, WTO had a crucial role to play in dispute settlement and must also provide a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system.

24. Similarly, regional integration and bilateral trade were vital for growth. Thailand was committed to strengthening bilateral free trade agreements and regional economic and trade frameworks, such as the Regional Comprehensive Economic Partnership of the Association of Southeast Asian Nations.

25. The contribution and participation of all stakeholders in national development efforts must be enhanced to prioritize the financial inclusion of all groups. Her Government had therefore introduced a number of measures to facilitate access to financial services not only for businesses but also for vulnerable persons, particularly women and older persons in rural areas. For instance, an e-payment system had been introduced to make financial transactions more efficient and transparent, and financial literacy programmes had been provided to ensure the effective use and management of finance by vulnerable persons.

26. However, more must be done to finance sustainable development. Her delegation therefore welcomed the first substantive outcome of the forum on financing for development follow-up and strongly urged all countries to fulfil the commitments made under the Addis Ababa Action Agenda.

27. ODA, domestic resource mobilization and domestic and international public-private partnerships were all important for bridging potential financial gaps. For its part, Thailand would continue to promote effectiveness and efficiency in its tax administration and public expenditure while tackling harmful tax competition and tax avoidance. It welcomed the increased representation of developing countries, including Thailand, in the Committee of Experts on International Cooperation in Tax Matters and looked forward to the Committee’s constructive work in shaping global tax norms and practices.

28. **Mr. Tiare** (Burkina Faso) said that there had been strong macroeconomic performance in Burkina Faso over the past decade, marked by an average annual growth rate of 5.5 per cent, relatively low inflation, a shrinking trade deficit and sustainable levels of debt. Nevertheless, some social and well-being indicators had not shown any significant improvement. For example, Burkina Faso still had high rates of poverty, maternal and child mortality, and youth unemployment and underemployment. His Government had therefore initially sought to maintain its hard-won fiscal sustainability and, over the medium term, to build a stable macroeconomic framework as the foundation of its national economic and social development plan. The overall objective of the plan was structural transformation of the economy for strong, resilient and inclusive economic growth and decent work for all.

29. The international community had a number of tools available to implement the 2030 Agenda, including expanding international trade, combating illicit financial flows and improving external debt sustainability. However, impediments such as persistent trade deficits, volatile commodity prices and regional crises were still preventing States from taking full advantage of international trade.

30. It therefore made sense to strengthen actions to combat all forms of protectionism and correct measures that skewed the playing field and ran counter to the WTO rules. At the same time, developing States in particular must have the right to take full advantage of the flexibility offered in the context of WTO.

Accordingly, his delegation invited developed countries to lift non-tariff trade barriers, especially for products from developing countries, and to help the latter process their raw materials locally by enabling the acquisition of appropriate technology and infrastructure to reduce production costs.

31. Burkina Faso remained concerned about the limited progress made in the Doha Development Round over the previous 15 years and called for frank and fruitful consultations with a view to attaining the common goal of more equitable and profitable international trade for all.

32. As a member of the Economic Community of West African States (ECOWAS), Burkina Faso supported all ECOWAS initiatives aimed at improving economic performance and the terms of trade. It also welcomed the ambition of the African Union's Agenda 2063 to make free trade a reality in Africa.

33. Illicit financial flows, especially those stemming from tax fraud and corruption, had negative effects on the stability and socioeconomic development of States. International and South-South cooperation must be strengthened through rigorous measures to prevent and combat those flows, which were estimated to cost Africa some 50 billion dollars in losses every year. To that end, all States without exception must ratify the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime and the Protocols thereto.

34. Most middle-income and developing countries were having trouble servicing their external debts, a problem that would surely continue to grow because they lacked sufficient resources of their own to meet the urgent needs for infrastructure and social support. Continued assistance must be provided for them to avoid debt distress and limit the risk of debt crisis in the current difficult global economic context. Burkina Faso called upon donor countries to continue to offer highly concessional financing to contribute towards debt sustainability, and upon the International Monetary Fund to approve budget deficit margins that allowed developing countries to bridge the infrastructure gap and achieve structural transformation.

35. **Mr. Fox-Drummond Gough** (Brazil) said that two years after the adoption of the 2030 Agenda and the Addis Ababa Action Agenda, the main challenge was to mobilize the necessary means of implementation. The slow and uneven pace of recovery in the world economy, especially among developing countries, had significantly impacted their capacity to mobilize domestic public resources. Current economic trends would not contribute to the full achievement of the ambitious Sustainable Development Goals.

36. One of the key aspects in that process was growth. Brazil had chosen to open its economy to the world for foreign trade, investment and migration. In order to ultimately achieve the necessary levels of growth, domestic policies must be complemented by an international environment of coherent and mutually supporting world trade, monetary and financial systems and strengthened global economic governance.

37. The establishment of the forum on financing for development follow-up was a major accomplishment, whose outcome could however have been more ambitious. The Committee had a decisive role to play in advancing crucial areas of the Sustainable Development Goals, especially those in which the forum had not provided sufficient guidance or had not achieved the necessary results, such as trade, a key means of implementation to effectively promote structural change and inclusive and sustained economic growth. It would be difficult to overemphasize the importance of a stable, transparent, rules-based multilateral trading system focused on development. His country looked forward to positive results at the Eleventh WTO Ministerial Conference and to reaffirming its commitment to the multilateral trading system.

38. Further work was needed to curb illicit financial flows and speed up asset recovery. Brazil was doing its part in tackling the sources of illicit financial flows. However, source, transit and destination countries must all work together on that endeavour.

39. To mobilize domestic resources in developing countries, tax revenues must be improved. The appointment of the new members of the Committee of Experts on International Cooperation in Tax Matters, with increased representation of experts from developing countries, was a step forward but more work was needed. Tax cooperation should be a means for achieving development with the right to development at its core.

40. Sustainable development could not be achieved without the reform of global economic governance to achieve broader representation of developing countries. Governance reform should lead to stronger means of implementation, including trade and financing, but also capacity-building and technology development and transfer, so as to enable developing countries to achieve sustainable development through structural economic transformation.

41. **Mr. Poudel Chhetri** (Nepal) said that the global macroeconomic outlook remained uncertain and the

post-crisis recovery lacklustre, with a prolonged decline in world trade relative to GDP. Widening trade deficits, a decline in ODA and other support measures, and volatile commodity prices, inter alia, continued to affect the economic health of developing countries. The situation was even worse for least developed countries, with total debt shocks increasing and their share of world exports remaining negligible.

42. Slow global trade hindered the ability to achieve target 11 of Sustainable Development Goal 17, namely, significantly increasing the exports of developing countries, in particular with a view to doubling the least developed countries' global exports by 2020. That situation was further aggravated by low preferential market access in certain key sectors. Least developed countries that were also landlocked faced even greater challenges as their development costs were much higher. Only by integrating those countries into global value chains and international trade could their competitive edge be improved. Healthy economic growth for developing countries was not a luxury.

43. Nepal welcomed the entry into force of the WTO Trade Facilitation Agreement in early 2017 and called for its full and effective implementation, particularly special and differential treatment for least developed countries. Early conclusion of the Doha Round was in the interest of all WTO members and would contribute to the achievement of the Sustainable Development Goals.

44. Nepal was in favour of a rules-based, non-discriminatory, open and transparent global trading system, where least developed countries could benefit from predictable and simplified market access under the aegis of WTO. Regional and subregional trade agreements would be a useful complement. The multilateral trading system must also be characterized by institutional and normative coherence.

45. Illicit financial flows that hampered the economy of many developing countries and jeopardized their right to development must be checked with strong resolve by the international community. Developing countries must also have greater participation and voice in the international financial system. Financial inclusion at all levels was paramount for sustainable development.

46. **Mr. Gayito** (Ethiopia) said that it was imperative to pursue macroeconomic policies that contributed towards economic and financial stability, equity and sustainable economic growth. It was also important to promote coherent national, regional and international economic and financial policies that produced conditions conducive to the timely and effective implementation of the 2030 Agenda and the Addis Ababa Action Agenda. In that regard, more coordinated international cooperation was crucial for creating an enabling environment that supported national development policies.

47. For most developing countries, particularly the least developed countries, the commodity sector remained critical for poverty reduction, job creation and export earnings. Unfortunately, the economic stability of commodity-dependent countries such as Ethiopia had been affected by the recent global price slump. To address commodity dependency, sustainable and productive economic diversification was needed. For its part, Ethiopia had promoted economic diversification by adding value to its primary products but more could be done to move towards higher productivity. Relevant United Nations entities should therefore intensify their capacity-building programmes to complement such national efforts.

48. As policies of financial inclusion could help to reduce poverty, address inequality and boost savings, his Government had implemented a national financial inclusiveness strategy with a particular emphasis on women and had also established a financial inclusion council which reported to the Prime Minister. The provision of financial services was continuing to expand, including through microfinance and also saving and credit cooperatives. Best practices should be shared among Member States to encourage mutual cooperation.

49. Illicit financial flows continued to cause Africa to lose vast sums that could have been used to finance anti-poverty projects. Africa had demonstrated a strong political commitment to track, recover and use such resources for sustainable development. His Government had also put in place the necessary legal and institutional frameworks to combat money-laundering, the financing of terrorism and corruption in general. However, national and regional initiatives alone would not suffice. Enhanced international cooperation and coordination would be required to tackle that development challenge.

50. **Mr. Bande** (Nigeria) said that the path to sustainable economic prosperity was through diversification of the economy. His Government had therefore undertaken various initiatives to move away from oil dependency and attract more foreign and domestic investment into the private sector.

51. Nigeria was committed to the speedy achievement of a universal, rules-based, open, non-discriminatory and equitable multilateral trading system that contributed to growth, development and

employment generation. As the free flow of private investment was vital to achieving the Sustainable Development Goals, his Government advocated for a fair, sound and transparent international financial system that took into account the particular needs of developing countries.

52. His Government was resolved to pursue industrialization, as demonstrated by its recently introduced economic recovery and growth plan and also by its comprehensive industrial revolution policy. The latter envisaged job creation, economic and revenue diversification, import substitutions and a broader tax base, among other measures.

53. Nigeria remained committed to international efforts leading to the recovery and repatriation of illicit funds to their countries of origin. Accordingly, his delegation would support the implementation of a resolution at the current session promoting international cooperation to combat illicit financial flows and strengthen asset recovery in order to foster sustainable development.

54. Lastly, with a view to reinvigorating and strengthening the financing for development follow-up process, his delegation invited the private sector to join the international community's efforts to achieve the Sustainable Development Goals.

55. **Mr. Ntonga** (Zimbabwe) said that the Doha Development Round should be swiftly concluded in order to put in place a universal, rules-based, open, transparent, inclusive, non-discriminatory and equitable multilateral trading system. The outcome reached should enable developing countries to use trade to promote economic growth and prosperity and achieve the Sustainable Development Goals. It was imperative for WTO to have rules than allowed developing countries to enact policies that promoted domestic manufacturing capabilities, access to affordable medicine and technology transfer.

56. Fundamental weaknesses inherent in the current international financial system would need to be addressed in order to effectively implement the 2030 Agenda. That system must support inclusive economic growth, job creation and poverty eradication, particularly in developing countries. Moreover, it should facilitate the mobilization and flow of financial resources to support the development initiatives of developing countries.

57. Many developing countries were burdened with unsustainable debts that severely undermined their development efforts. Hence the need for appropriate sovereign debt restructuring mechanisms, in accordance with the basic principles on sovereign debt restructuring processes outlined in General Assembly resolution 69/319. Zimbabwe called on bilateral partners and regional and multilateral financial institutions to embrace those principles.

58. The problem of illicit financial flows continued to stifle the efforts of many developing countries to achieve sustainable development and eradicate poverty. However, that problem could be solved with the appropriate mechanisms in place.

59. A stable global macroeconomic environment was needed with policies that supported the global development agenda. Above all, the policy space of developing countries to adopt autonomous and effective countercyclical macroeconomic policies consistent with their long-term development objectives must be respected.

60. **Ms. Hamdouni** (Morocco) said that Morocco attached vital importance to the multilateral trading system and its fundamental principles. As a member of WTO, her country participated in multilateral trade negotiations and meetings at all levels and sought to make trade a driver for economic growth and the well-being of its people. In order to overcome the current impasse in the Doha Round, Morocco wished to see the adoption of a compromise approach at the Eleventh WTO Ministerial Conference.

61. Over the past two decades Morocco had promoted a balance between the economic, social and environmental dimensions of development. The Government had undertaken stringent macroeconomic reforms to meet the challenges associated with financial globalization and more open trade. Accordingly, a foreign trade development strategy for the period 2016–2020 had been adopted which took into account geostrategic changes. Morocco had also presented its voluntary national review on the implementation of the 2030 Agenda at the 2016 high-level political forum on sustainable development.

62. Morocco would spare no effort to ensure that no one was left behind in the implementation of the 2030 Agenda, particularly through the promotion of South-South cooperation and policies that strengthened the stability and effectiveness of the international financial system and the implementation of the Addis Ababa Action Agenda.

63. Illicit financial flows remained one of the major challenges to development on the African continent. Morocco had always favoured strengthening measures to combat money-laundering through joint international action and was determined to ensure that its national

legislation in that area complied with international standards.

64. Her delegation was committed to effective regional and global cooperation to support efforts for the implementation of both the 2030 Agenda and the African Union's Agenda 2063.

65. **Mr. Andambi** (Kenya) said that some of the macroeconomic-related development challenges faced by the Kenyan economy could be attributed to a low export base and falling commodity prices, which had resulted in a high fiscal debt. Low export earnings had exacerbated the rising current account deficit, which had further depleted foreign exchange reserves. Nevertheless, the economy had grown for eight consecutive years, which was a robust performance in the context of average growth of 1.7 percent for Sub-Saharan Africa. Growth in private consumption in Kenya had been encouraged by structural factors, including rising incomes and a growing middle-class economy that had been supported by fiscal expansion.

66. With regard to trade, the current account deficit had improved to 4.9 per cent of GDP in 2016. The prevailing low oil prices and a surge in remittances had contributed to that outcome and the highly diversified structure of the national economy was contributing towards robust growth.

67. The public debt of Kenya remained sustainable and the risk of debt distress continued to be low. The rise seen in the debt level was directly attributed to an increase in development spending on infrastructure. However, the Constitution had mechanisms in place to ensure transparency in debt management decisions and the Government had also put in place a medium-term debt strategy.

68. While Kenya was an agricultural country with a comparative advantage in the production of various commodities, ongoing challenges included intense competition from low-producer markets, price volatility, declining demand in traditional markets and low prices for primary commodities. In response, the Government had undertaken various reforms to promote diversification of the export base and to move away from the focus on traditional exports. Regulatory reforms had also been established to attract foreign direct investment.

69. **Mr. Remaoun** (Algeria) said that the use of unilateral coercive measures violated the principles enshrined in the Charter of the United Nations and other principles, such as the right to development and to self-determination, and should therefore be completely eliminated.

70. While international trade had many benefits for economies, it also had some adverse consequences. In his report on international trade and development (A/72/274), the Secretary-General had referred to job losses in developed countries as a result of trade liberalization. However, the report had unfortunately failed to mention that developing countries had also been affected by that phenomenon, particularly when their nascent manufacturing and industrial sectors required more investment. He requested the Secretary-General to provide more findings on how trade could be beneficial for investment.

71. The Addis Ababa Action Agenda had paved the way towards financing for development that was more sustainable and predictable at the national and international levels. While that was a great achievement, solidarity would be needed to fulfil the high expectations that had been raised.

72. ODA remained a crucial source of development financing but innovative solutions would also be instrumental. The International Finance Facility for Immunization was one example of a model that could be emulated in the development field to provide developing countries with the predictability they needed to make long-term budget and planning decisions.

73. Lastly, he recalled the importance of ensuring that no one was left behind in the implementation of the 2030 Agenda, including those peoples living under colonial and foreign occupation.

74. **Ms. Zahir** (Maldives) said that the international financial institutions needed to align their policies, particularly their lending decisions, more closely with the efforts of countries to achieve the Sustainable Development Goals. In the case of the Maldives, investment in infrastructure would be crucial to attain the Goals but the country's narrow financial sector did not have the capacity to provide adequate financing for the investment programmes needed. Unfortunately, the only option available had been external financing as the international financial institutions did not fund the types of investments required. They did not, for example, consider housing to be a development need in a middle-income country such as the Maldives. However, housing was a crucial issue directly related to its achievement of the Goals. The international financial institutions therefore needed to catch up with the development policy frameworks that had been agreed and adopted.

75. Debt instruments, such as GDP-linked bonds, would be highly useful in managing the external and internal debts of small economies, especially in the middle-income

category. However, such instruments would become credible and acceptable only if the international financial institutions worked with private investors to promote them. The United Nations should encourage the international financial institutions to do so.

76. A country such as the Maldives could obtain the reserves needed to finance domestic investments if it had access to liquidity support or swap facilities in the event of an external shock. It would therefore be useful to have a reserve adequacy yardstick more relevant to small island developing States, instead of a global set of standards that did not take into account the special characteristics of their economies.

77. The United Nations development agencies should step up their efforts to create an enabling environment in which middle-income small island developing States had easier access to international sources of financing. Her Government had pursued a pro-growth economic development policy that had enabled the Maldives to cope with structural vulnerabilities and specific challenges. As concessional financing had not been available to the Maldives, it had borrowed funds from international capital markets to finance critical infrastructure projects in the health sector. The bonds issued for that purpose had been oversubscribed within a few hours, showing the high level of confidence of international investors. A leading international credit rating agency had recently published a highly favourable report on the economy of the Maldives and its ability to attract more foreign investment. However, the cost of funding would always remain high when a country had to turn to international financial markets to fund its development projects.

78. **Mr. Fialho Rocha** (Cabo Verde) said that much remained to be done to mobilize adequate and predictable finance in order to implement the 2030 Agenda. Beyond global assessments, national financial frameworks that mapped financial needs and aligned them with development priorities could be an important tool for mobilizing public and private domestic and external resources. In that context, a variety of instruments would be required, such as diaspora financing, debt swap mechanisms, climate financing, South-South cooperation, investment in industrial develop and policies to close the gender gap.

79. Small island developing States continued to face specific challenges, such as reduced or inaccessible funding, unclear eligibility criteria and a lack of interest from investors owing to the relatively small size of their markets and projects. They should therefore be considered special cases in the development process requiring a combination of approaches, including ODA to help build their resilience and more innovative financing such as debt swaps. In the case of small island developing States that had graduated to middle-income status, GDP per capita was inadequate as an approach for assessing their eligibility to access funding and support mechanisms. International stakeholders must agree on a common and integrated approach.

80. Climate change posed a genuine threat to the success of the 2030 Agenda. Given the critical need for small island developing States to have access to climate and development finance, the persistent obstacles impeding their access must be removed. Moreover, the United Nations development system as a whole must be adapted to be fit for purpose. The current reforms proposed by the Secretary-General in that area were therefore welcome.

81. **Mr. Donko** (Togo) said that financing for development was one of the major challenges confronting the 2030 Agenda. In that context, his Government encouraged the implementation of the Addis Ababa Action Agenda, in which ODA commitments had been reaffirmed, particularly to the least developed countries, and in which private investment and innovative technologies were promoted in order enhance economic growth in countries in special situations.

82. While ODA remained crucial, it was clearly insufficient alone to meet all the development needs of a country. Togo therefore welcomed the fact that the Addis Ababa Action Agenda took into account all sources of financing and the need for public policies that established a more conducive national and international environment.

83. The Government was focused on implementing institutional reforms, including tax reforms, in order to promote good governance and mobilize further financing for development resources. The reforms had improved tax revenue collection, which had increased from 16 per cent of GDP in 2013 to 20.2 per cent GDP in 2015. Infrastructure needs would be met through a combination of public-private partnerships, mobilization of the diaspora and other innovative financing mechanisms. Measures had already been taken to strengthen the private sector and promote foreign direct investment. Togo aimed to invest in agricultural transformation, the construction of resilient infrastructure, industrialization and the sustainable management of natural resources. His delegation also called for an increase in regional and international initiatives that promoted South-South and triangular cooperation.

84. **Archbishop Auza** (Observer for the Holy See) said that macroeconomic policy issues had an important role to play in establishing the stable financial environment necessary to achieve the 2030 Agenda. His delegation noted with concern the steady decline in international trade in 2015 and 2016 and shared the view expressed in the report of the Secretary-General (A/72/274) that the solution should not be less trade but better trade, guided by the principles of inclusivity and equity for all. Such an approach was consistent with the call of Pope Francis for inclusive economics focused on the common good.

85. Special attention should be given to the least developed countries, many of which were dependent solely on agricultural commodity exports. Protective trade measures could be particularly punitive for such countries as they prevented the generation of foreign exchange, which could block the only path to additional income available for the world's poorest farmers. Even a modest lowering of protective tariffs on certain agricultural products by developed countries could provide significant and life-sustaining benefits for small farmers in developing countries.

86. The Holy See shared the concern expressed in the report that the external debt sustainability of developing countries was worsening. Careful monitoring and additional capacity-building efforts would be required for countries struggling to manage their debt, especially the least developed countries. The need for further debt relief mechanisms should also be considered.

87. ODA remained an important source of external finance for the least developed countries. It was therefore encouraging that ODA had reached its highest level ever in 2016, having increased by almost 9 per cent compared with 2015. However, in following up on the Addis Ababa Agenda, declarations must be transformed into actions, and commitments into achievements. Such action was more pressing than ever, particularly for the least developed countries in order to leave no country behind.

88. **Mr. Kuleshov** (Observer for the Common Fund for Commodities) said that his organization operated in the context of the special needs of developing countries, which relied on commodities as the main instruments for their participation in the global economic system. The beneficial impact of global economic cooperation was only accessible to those countries by means of production and trade in primary commodities. The Common Fund for Commodities provided financing for investments that delivered the highest possible sustainable impact by harnessing the value created in the commodity sector. The Common Fund invested in solutions to address specific vulnerabilities that resulted from a reliance on commodities for participation in global trade. Its projects included actions to reduce the impact of commodity volatility, strengthen value chains, improve market structures and broaden the export base.

89. In January 2018, the new European Union regulations for commodity markets were expected to enter into force and to enhance the transparency and efficiency of commodity price discovery, which directly affected the investment climate in commodity-dependent developing countries. The reduced volatility of commodity markets resulting from the new regulations should improve the conditions for investment in those countries.

90. The Addis Ababa Action Agenda, the 2030 Agenda and the Paris Agreement had set the perfect stage for public-private partnerships to enhance the contribution made by commodities to investment. As an active participant in a number of public-private impact investing funds, the Common Fund could leverage its resources and share its understanding of how the commodity sector could contribute towards development. The Common Fund looked forward to collaborating with development partners in order to deliver on the Sustainable Development Goals, particularly in the context of the global partnership for sustainable development.

The meeting rose at 4.45 p.m.