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

Summary record of the 26th meeting
Held at Headquarters, New York, on Monday, 20 April 2015, at 3 p.m.

President: Mr. Drobnjak (Vice-President) .... (Croatia)
later: Mr. Oh Joon (Vice-President) .... (Republic of Korea)

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In the absence of Mr. Sajdik (Austria), Mr. Drobnjak (Croatia), Vice-President, took the Chair.

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

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

Thematic debate on theme 2: "Current challenges and emerging opportunities for the mobilization of financial resources and their effective use for sustainable development on the road to Addis Ababa"

Statements by panellists

1. **Ms. Ploumen** (Minister for Foreign Trade and Development Cooperation of the Netherlands) said that ahead of the third International Conference on Financing for Development, to be held in Addis Ababa in July 2015, it would be necessary to emphasize that official development assistance (ODA) remained crucial for least developed countries, small island developing States and fragile and conflict-affected States. Existing commitments should be reaffirmed and ODA should be targeted at people in greatest need. The capacity of national taxation administrations to mobilize domestic resources should be enhanced through increased bilateral and multilateral support.

2. As an example, her country's taxation authority was working with Tax Inspectors Without Borders in that area. Anti-abuse measures should also be included in all new bilateral tax treaties, and existing treaties should be revised. The Netherlands had begun revising 23 tax treaties with developing countries and had recently signed a revised treaty with Malawi. The base erosion and profit shifting dialogue should become more inclusive and bring all stakeholders to the table, in support of international cooperation on tax avoidance. All sustainable development resources, including the vast amount of private funding available globally, should be deployed. Innovative financing should make it possible to leverage additional private resources and to improve the effectiveness of collective efforts.

3. Access to finance by small and medium-sized enterprises should be promoted. There should be more and better multi-stakeholder partnerships among public and private sector foundations and grassroots organizations. She hoped that the discussion would lead to tangible initiatives that showcased the international commitment to leave no one behind.

4. **Mr. Talbot** (Permanent Representative of Guyana to the United Nations), speaking also as co-facilitator of the preparatory process for the third International Conference on Financing for Development, said that at the United Nations Conference on Sustainable Development, held in 2012, the international community had established sustainability as the defining paradigm of the future and had expressed its aspirations for sustainable development goals that were of universal applicability, albeit in the context of differentiated realities. The Addis Ababa conference would have to address a number of challenges: adjusting cooperation to that reality by finding ways to secure a commitment from all parties to deliver on the ambitious new development agenda; determining what policy changes and what level and methods of financing mobilization would be required to deal with the increasingly complex set of goals set forth in that agenda; and defining the level and quality of the response that would be required from national Governments, the private sector, civil society and other actors.

5. With regard to the level of ambition to be reflected in the outcome of the conference, the co-facilitators of the preparatory process had proposed that specific initiatives and interventions in the areas of infrastructure, health, education, human resources, small enterprises and development should be identified as critical deliverables. While the template remained wide open for other initiatives, steps taken in those areas could have cross-cutting relevance and impact.

6. The recognition in many quarters, including at the recent meetings of the multilateral development banks, the International Monetary Fund and other institutions, that the ambitious agenda would require an ambitious response was heartening and attested to the need for a new level of mobilization of national and international action and for concerted international efforts.

7. **Mr. Pedersen** (Permanent Representative of Norway to the United Nations), speaking also as co-facilitator of the preparatory process for the third International Conference on Financing for Development, said that the collective goal at hand, namely, to eradicate poverty and hunger equitably in

order to achieve sustainable growth in a manner that would not contribute to climate change, had yet to be achieved. The enormously ambitious development agenda could not be implemented by reverting to business as usual. Fresh new ideas would be needed, as would cross-cutting initiatives and synergies, with an eye towards sustainability. To that end, some sacrifices would be required. ODA would have to be strengthened and increased, and domestic resource mobilization and tax increases would be of the essence.

8. All parties, including the private sector, would have to change the way in which they conducted business. Moreover, the new agenda could only be achieved with the active participation of the private sector and in an enabling environment that would facilitate cooperation on tax matters and make it possible to fight illicit capital flows and enhance the efficiency of taxation systems. With the cooperation of all stakeholders, the international community could look forward to a successful conference and to a real hope of eradicating poverty and hunger.

9. **Mr. Kituyi** (Secretary-General, United Nations Conference on Trade and Development (UNCTAD)) said that in 1994, China had been confronted with a poverty challenge similar to that faced by the least developing countries twenty years later; with per capita growth of 9.4 per cent per year over 15 years, the poverty rate in China had declined from 46 per cent of the population to 12 per cent. In order to eliminate extreme poverty by 2030, the least developed economies would therefore have to grow at a higher rate than that posted by China. Rising to that formidable challenge in order to achieve the ambitious new agenda would require the international community to enhance its efforts to mobilize external public and private finance and leverage existing ODA. Recalling the holistic nature of the Monterrey Consensus of the International Conference on Financing for Development and building on it would contribute to a comprehensive and forward-looking Addis Ababa agreement. It would also be necessary to stress the interlinkages among the various financing options.

10. UNCTAD advocated an integrated approach to trade and investment. Its understanding of how economic development enabled the achievement of social objectives and environmental sustainability hinged on the mutually dependent nature of financial and non-financial means of implementation. In that regard, financing for development involved not only attending to aid, taxes and the private sector, but also to systemic issues, capacity-building, technology and innovation, and updating the overall approach to trade and investment in the development landscape. He was concerned that the current discussions on financing for development treated international trade in relative isolation from development.

11. At the third International Conference on Financing for Development, the crucial role of trade and investment in raising domestic resources and improving tax revenues should be recognized. Trade and investment transformed the structure of poor economies and could provide livelihoods to the impoverished, allowing them to contribute to ambitious development goals. The Addis Ababa agreement should highlight the role of trade in national development strategies. Financing for development required support for such capacity-building activities as trade facilitation and improving the collection of trade-related revenues. Trade taxation — one of the most efficient ways for developing countries to raise revenue — accounted for one quarter of government revenue in many African economies. Improving efficiency in customs revenue collection could also help least developed countries improve their competitiveness by substantially reducing transaction time and costs.

12. The capacities that countries built through trade were precisely the same capacities that allowed for strong mobilization of domestic resources and facilitated entrepreneurship. The sustainable growth of international investment should be taken into account in discussions on financing for development, with trade and investment agreements informing the process leading up to the conference. The important interlinkages between trade, which was discussed a great deal, and investment, which was perhaps more important than trade but was not discussed enough, must be recognized.

13. **Mr. Wu** Hongbo (Under-Secretary-General for Economic and Social Affairs and Secretary-General of the third International Conference on Financing for Development) said that the third International Conference on Financing for Development presented a unique opportunity to adopt a strong financial framework for sustainable development and provide means of implementation for the post-2015 agenda. The conference had been the focus of the spring meetings of the World Bank Group and the

International Monetary Fund, where the Secretary-General of the United Nations had taken the lead in mobilizing the support of ministers of finance and the principals of multilateral development banks for the financing for development agenda.

14. Regional consultations held over the previous two months had emphasized the importance of domestic resource mobilization and the need for reform at the national and international levels, to combat illicit financial flows and curtail tax avoidance and evasion. Strong calls had been made on donors to meet their commitment to allocate 0.7 per cent of their gross national income to ODA, and other calls had been made for more even ambitious ODA targets.

15. With regard to the private sector, the difficulties preventing private finance and investment from becoming sustainable had been discussed. In addition, the role of migrant communities in mobilizing domestic and international private resources had been considered; their participation was not limited to remittances but could also include foreign direct investment, philanthropic finance and the promotion of bilateral trade and technology transfer. The need for further reform of the international financial architecture, in particular, increased participation by developing countries in decision-making in global economic governance, had also been underscored. As the Secretary-General of the forthcoming conference, he would make every effort to ensure its success.

Interactive dialogue

16. **Mr. Grant** (Observer for Canada) said that, in order to finance the ambitious new agenda, ODA should be utilized to mobilize private sector resources for investments that delivered real development results. To that end, Canada had been cooperating with various international institutions and intergovernmental entities on an initiative to redesign development finance. Its aim was to identify, test and scale up public-private blended finance models in a systematic way. Under the initiative, Canada had been working to develop a global finance exchange that would serve as a marketplace, a knowledge broker and an accelerator for innovative development finance models. The new platform would harness the skills, expertise and resources of the public, private and non-profit sectors to mobilize investment, forge new partnerships and help the world's neediest people.

17. **Mr. Marobe** (South Africa), speaking on behalf of the Group of 77 and China, said that in pursuit of both the Millennium Development Goals and the post-2015 development agenda, developing countries would continue to require ODA. The new agenda should be built on the unfinished business of the Millennium Development Goals, while also making it possible to sustainably improve the lives and circumstances of people who continued to be marginalized and to live in abject poverty. To that end, a strengthened and scaled-up global partnership for development was critical in the formulation and delivery of the post-2015 development agenda.

18. The means of implementation remained vital to the success of the new agenda. Technology transfer and development leading to the establishment of a technology mechanism in the context of the agenda were an integral part of the means of implementation. Regarding the third International Conference on Financing for Development, the Group had reiterated the need for the international community to support an enabling domestic environment, create an enabling international environment and support developing countries in their development efforts.

19. Given the special importance of finding a timely, effective, fair, comprehensive and lasting solution to the debt problems of developing countries, the Group called for the enhancement of international financial mechanisms for crisis prevention and resolution in order to prevent debt crises. The lack of a structured fallback mechanism reflected the deficiency in the current international financial architecture. In that connection, he reaffirmed the roles of the United Nations and the international financial institutions and encouraged them to continue to support global sustainable development efforts and to find a lasting solution to the debt problem of developing countries.

20. He encouraged all Member States, in particular those that were also members of the Organization for Economic Cooperation and Development, and the international financial institutions to participate in the forthcoming sessions of the ad hoc committee established by the General Assembly to elaborate a multilateral legal framework for sovereign debt restructuring processes. The expertise of the International Monetary Fund and the World Bank in the area of sovereign debt restructuring would greatly contribute to the work of the ad hoc committee. Lastly, international trade was an engine for development and

sustained economic growth. It was therefore crucial to advance a more development-friendly, universal, rules-based, predictable, more inclusive, open, non-discriminatory and equitable multilateral trading system.

21. **Mr. Thier** (United States of America) said that it was incumbent on the international community to support financing for development, given that effectively mobilized and transparently and effectively budgeted resources would be the primary source of funding for the next 15 years. In that connection, taxation was important, both domestically as a political issue and internationally as a development issue. His Government worked a great deal to support other Governments and societies in mobilizing domestic resources. Many countries faced difficulties in terms of tax policy and the capacity to raise and spend revenues and enforce tax legislation, and combat corruption and tax evasion. In that regard, the United States was working through the Group of 7 and the Group of 20 to ensure that rules on taxation and international cooperation were robust and fair.

22. Effective and transparent budgeting was the foundation of the social contract and the drivers of citizen buy-in and government accountability. There was an enormous opportunity for investment among donor countries in partnership with recipient countries to increase the capacity of tax regimes to raise revenues. Building and strengthening international cooperation on the transfer of information was also vital. In closing, the Monterrey Consensus should be regarded as a solid basis for the financing of the sustainable development goals.

23. **Mr. Qureshi** (Observer for the World Bank), speaking on behalf of the Executive Director for Saudi Arabia of the World Bank, said that development finance and climate finance were two separate tracks governed by separate frameworks. As such, they could not be mixed and must be accounted for separately. While countries were free to take any action on carbon pricing that suited their national circumstances, global agreement had not been reached on the issue and would not be reached for some time. No one knew how to calculate the ideal carbon price, and both the price and the stock of carbon must be taken into account in order to respect the principle of common but differentiated responsibilities. Moreover, as fossil fuel subsidies had already declined considerably because of the sharp drop in oil prices, the focus moving forward should be on improved targeting of energy subsidies, given that affordability was a key element of the Energy for All initiative. Lastly, since subsidies in various sectors had the same fiscal impact, it would be necessary to look beyond energy sector subsidies when attempting to expand the fiscal space available to Governments.

24. **Mr. Ulin** (Russian Federation) said that his delegation was participating constructively in the negotiations on the outcome document of the third International Conference on Financing for Development. The outcome should be based on the fundamental agreements enshrined in the Monterrey Consensus and the Doha Declaration on Financing for Development. Efforts by the private sector to play a more active role in financing for development, including in achieving the sustainable development goals, should be taken into account. At the same time, private sector resources could only be considered complementary to ODA, and private sector participation must be in accordance with the rules of corporate social responsibility.

25. Trade was also a crucial instrument to ensure economic growth and job creation. The Russian Federation supported efforts to create a just and balanced international trade system based on the equal adherence by all participants to the decisions of intergovernmental bodies. It also endorsed the implementation of the outcomes of the World Trade Organization ministerial conference held in 2013 on simplifying trade conditions and seeking global added value chains. The needs of countries in special situations must be taken into account in the post-2015 agenda. In that connection, his delegation stressed the importance of the Programme of Action for the Least Developed Countries for the Decade 2011-2020 and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024, and called for the elimination of excessive barriers to investment and trade, the establishment of long-term investment partnerships, and the synchronization of government efforts to regulate the economy.

26. Lastly, the outcome of the forthcoming conference must fully reflect the principle of common but differentiated responsibilities and not infringe on the sovereign right of States to adopt financial and economic policies in accordance with their priorities and development strategies.

27. **Ms. Samuels** (Observer for Global Clearinghouse) said that her organization and others in the private sector were highly sceptical of the solutions being put forward by the development community with regard to financing for development. Many funds, risk mitigation instruments and project development facilities were currently underutilized and calls for change in the private sector were unrealistic, given that public sector regulations and judicial responsibilities guided the private sector's activities. Mobilizing the private sector — which increasingly meant foundations — called for a project-centric approach built around a separate legal entity whose leaders would be required to deliver results that met the needs of shareholders. It would also require a shift in thinking about development aid, to ensure that such projects were part of a sustainable plan. In addition to financing, private sector expertise and technology were needed to develop that plan, structure projects, mitigate risk and maximize access to capital. It was also important to create real, effective project-based tracking metrics that could be used to assess the sustainability and bankability of those projects. Workable models already existed, but needed to be scaled up.

28. The terms used in the zero document of the outcome of the Addis Ababa conference should be clarified. The segment dealing with blended finance, for example, should include other public finance instruments, such as special-purpose vehicles, which were the primary conduits for mobilizing capital. There had been much talk of localizing capacity-building, but that too must be project-based and could only be achieved through cooperation between the public and the private sectors.

29. **Mr. Prato** (Observer for Society for International Development), speaking on behalf of many civil society organizations and networks that were actively engaged in the financing for development process, said that there had been a timid attempt to shift the centre of gravity of development from under the umbrella of the United Nations. There had been some positive developments in that regard, such as the call for an intergovernmental tax body, but the lack of unambiguous assertiveness with regard to the multilateral framework for sovereign debt restructuring was not encouraging. Furthermore, the absence of clear policies to shield the public policy space from conflicts of interest might undermine the primary responsibility towards rights holders in multi-stakeholder partnerships.

30. International financial institutions and multilateral development banks should be held to high standards of governance, transparency and accountability, and should adopt appropriate social and environmental protection policies. The reference to trade as an instrument of sustainable development was welcome, but it was unsupported by evidence. Beyond the opportunity to find a permanent solution to food insecurity in the forthcoming negotiations, there was a need for a mandatory review of multilateral and bilateral trade and investment agreements, an assessment of the gender, human rights and environmental impacts of trade and investment policies, and a review of investor-State dispute settlement mechanisms. An unjustified belief in the private sector, increased catalytic use of official development assistance, and the disproportionate importance accorded to blended finance were other causes for concern.

31. Without a reorientation of the business model through binding frameworks rather than voluntary guidelines, the use of public finance to support private sector investments would lead to a redistribution of public resources in favour of private interests, and the socialization of risk to promote the privatization of wealth for a select group. Similarly, there was evidence that the promotion of public-private partnerships in large-scale infrastructure projects that did not contribute to the socioeconomic transformation of developing countries changed the nature of public service and exacerbated fiscal problems. Such projects often proved less efficient and more costly than claimed.

32. The follow-up to the third United Nations Conference on Financing for Development should be an intergovernmental process, with mechanisms for participation by civil society, in order to transform an event-centred approach into an ongoing normative process. The level of political commitment needed for that purpose was higher than the level that could be achieved with three months of preparation.

33. **Mr. Egli** (Switzerland) said that a renewed global partnership should include mechanisms that enabled the participation of all actors within and outside the United Nations, including major institutional stakeholders, multilateral development banks, the

Organization for Economic Cooperation and Development, civil society and the private sector. That multi-stakeholder approach would also be important for monitoring and reviewing the post-2015 development agenda. In particular, multilateral development banks had a key role in promoting knowledge-sharing, leveraging financial resources and building capacity, as well as in blended finance, which mitigated risk and could help to unlock capital flows that were currently constrained by risk. Those banks had the knowledge, instruments and financial potential to engage with the private sector and assist in transforming development finance.

34. **Mr. Mahmood** (Observer for the International Labour Organization) said that growth was needed to reduce poverty, and that growth could not be achieved without jobs, because some two thirds of the world's poor were dependent on self-employment and wage employment, and another quarter were dependent on transfer incomes. Three or four jobs targets should therefore be included in the sustainable development goals. The jobs challenge required the creation of some 40 million jobs every year. When the poor were not covered by social protection in developing countries, they would accept any job with low wages and bad working conditions. Although the percentage of workers earning less than $1.25 a day had dropped from 50 per cent to 20 per cent in the previous two decades, the economic crisis had halted the reduction in the numbers of the working poor. A further challenge was that of vulnerability, defined by the United Nations and the International Conference of Labour Statisticians as the condition of the self-employed and non-remunerated. It also came with a gender dimension, since women were disproportionately highly represented among the non-remunerated. Similarly, the ratio of dependants to non-dependants was high in developing countries, on the basis of both within-household income and across-household income.

35. **Ms. Ploumen** (Minister for Foreign Trade and Development Cooperation of the Netherlands), referring to the case of a Ugandan mother wondering what she, her Government, other organizations and the Council could do to help her send her daughter to school, to provide decent roads for her daughter to be able to ride her bicycle to school, and to ensure that the schools had inspired teachers, said that the Addis Ababa conference was about international solidarity that would enable that mother to achieve her goals.

36. **Mr. Talbot** (Permanent Representative of Guyana to the United Nations) said that the discussions on financing for development had touched on the importance of investments and jobs, which in turn illustrated the importance of a holistic approach to the topic. The expression of scepticism by the private sector was a reality check, suggesting that a meaningful partnership should be built involving all actors. Such reality checks would ensure that the financing for development process was anchored in a solid assessment of the possibilities of real partnership.

37. **Mr. Pedersen** (Permanent Representative of Norway to the United Nations) said that economic growth must be sustainable and create jobs; otherwise, it would not be possible to eradicate poverty and hunger. The deliverables of the third United Nations Conference on Financing for Development could include achievements concerning infrastructure, energy, agriculture, social protection, small and medium-sized enterprises, and international tax cooperation.

38. **Mr. Kituyi** (Secretary-General, United Nations Conference on Trade and Development) said that the spring meetings of the International Monetary Fund and the World Bank Group had shown a greater awareness of and engagement in financing for development. One lesson learned from the experience of the Millennium Development Goals was that the best way to address poverty was to create livelihoods. Sustainable job creation should be at the heart of the sustainable development agenda, and financing for development should lead to the structural transformation that would allow people to move from low-return to high-yield activities, and ultimately move up the global value chain.

39. **Mr. Wu** Hongbo (Under-Secretary-General for Economic and Social Affairs and Secretary-General of the third International Conference on Financing for Development) said that many ministries and departments in national Governments worked in silos and did not communicate with one another. A change in mindset was therefore needed if the sustainable development agenda and policy recommendations for financing for development were to be implemented. The Addis Ababa conference would be different because of the strong sense of collective ownership of

the goals and targets exhibited by 193 Governments, which would then incorporate them into their development strategies.

40. Official development assistance (ODA) would remain important, especially for least developed countries, but it was shrinking in comparison with the vast resources needed for the sustainable development agenda. It would nevertheless help to strengthen confidence and build trust in international partnerships. Developing countries also needed technology facilitation to make real progress in sustainable development. It was his understanding, based on the information coming out of the spring meetings of the World Bank and the International Monetary Fund, that the multilateral development banks were on board and would do their utmost to support the sustainable development agenda.

41. ***Mr. Oh*** *Joon (Republic of Korea), Vice-President, took the Chair.*

Thematic debate on theme 3: "Renewed global partnership for development in the context of the post-2015 development agenda"

42. **Mr. de Villeroché** (Co-Dean of the Executive Board, Executive Director, World Bank Group) said that the Council and the World Bank Group had a common vision in which development would be financed through a combination of sources, including ODA, domestic resource mobilization and private sector flows. The challenge was to find innovative and smart solutions for translating that vision into reality over the coming 15 years.

43. The document entitled "From Billions to Trillions: Transforming Development Finance — Post-2015 Financing for Development: Multilateral Development Finance", prepared jointly by the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund, and the World Bank Group", provided a comprehensive and convincing solution for financing the development agenda. The new paradigm involved catalysing and leveraging public and private sources of financing and mobilizing domestic resources. It was often frustrating that the domestic resources of the poorest countries could not be put to better use. Sustainable economic policies should therefore be adopted to enable those resources to be leveraged and to allow for input from the private sector.

44. Other issues addressed in the document included migrant remittances, the need to attract foreign direct investment, and the need for more efficient tax systems. Those challenges were linked to other challenges, such as climate change, world financial stability and public health, which required coordinated action in Addis Ababa and beyond.

45. **Mr. Valle Pereña** (Executive Director, Mexican Agency for International Development Cooperation) said that, from his country's perspective as a developing country, the former paradigm driven by the donor-recipient dichotomy would have to be abandoned in the more ambitious sustainable development agenda. The period from 2015 to 2030 should be the era of partnerships, with clear a clear indication of the benefits, commitments and responsibilities of each partner. Some middle-income countries such as Mexico would play a larger role and act as important partners for other developing countries by sharing public policies that had proven to be successful.

46. Civil society had not only reminded the Council of its responsibilities and areas of opportunity but also helped to implement development projects. Meanwhile, the private sector was moving beyond the mobilization of financial resources to form partnerships through foundations and other social responsibility mechanisms which would result in an adaptation of their core operations, including their supply chains and accounting systems. All of those actors should not work in isolation, because, no matter how many financial resources were available, fragmented interventions would not achieve the desired development results.

47. Past experience with triangular cooperation had shown that those partnerships achieved more than anything individual actors could achieve on their own. However, good will alone was insufficient; partners also needed to be politically and technically ready. Without political support, the global partnership would become a platitude, and without technical readiness, it would fail and might even do some harm. South-South cooperation needed to become more successful in future, in particular through the recognition that partners in the South faced specific challenges that traditional donors did not face. One important factor

was monitoring, and that required data collection. Creative approaches were therefore needed to improve technological capacity and accelerate the generation and dissemination of data for decision makers, practitioners and researchers in the area of South-South cooperation.

48. His Agency had, for example, worked successfully with the United Nations Development Programme in Central America on tracking the implementation of the Millennium Development Goals using a tool developed in Mexico. It had also worked on multidimensional poverty measurement in various parts of the world, in particular Africa. Quality data that could be translated into reliable information was important not just for South-South cooperation but also for other processes, including the post-2015 development agenda. The Global Partnership for Effective Development Cooperation could act as a platform on which to build a community of practice where demand could meet supply, with tangible effects on development cooperation and implementation.

49. **Mr. Martínez-Solimán** (Assistant Administrator and Director of the Bureau for Policy and Programme Support, United Nations Development Programme) said that the international community was on the verge of agreeing to an ambitious and transformative post-2015 sustainable development agenda that would require structural transformations at all income levels to ensure that prosperity was shared and the planet's natural limits were respected. The third United Nations Conference on Financing for Development was an opportunity to agree on a financing framework that was as ambitious as the agenda itself. That framework would have to be comprehensive, with concrete deliverables and a strong follow-up process.

50. In the Millennium Development Goals era, financing was often perceived as the addition of resources, such as domestic resources, foreign direct investment and remittances, with the gaps being filled by official development assistance. In the new agenda, gap-filling would be insufficient and large financial flows would have to be mobilized instead. However, official development assistance would remain critical, especially for least developed countries. The Addis Ababa conference was therefore an opportunity for donors to reaffirm their long-standing commitments and set a timetable for meeting their targets.

51. The post-2015 development agenda went far beyond aid. There was a need to consider other sources of international public finance for investment in disease control, climate change adaptation and mitigation, scientific innovation and new technologies. There should be incentives to ensure that private investment decisions advanced sustainable development. In future, private sector activities and outcomes should contribute directly to the sustainable development goals in ways that went beyond corporate social responsibility and philanthropy. The United Nations Development Programme and the World Bank Group were developing an inclusive business framework with the support of the International Labour Organization and the Organization for Economic Cooperation and Development to that end.

52. The concept of financing for development should take into account the new normal of frequent shocks and volatility. The cost of shocks such as economic crises, disasters, conflicts and disease outbreaks was high and increasing. Nations and communities therefore needed to build resilience so that such shocks did not hamper development and wash away hard-earned gains.

53. **Ms. Killen** (Development Cooperation Directorate, Organization for Economic Cooperation and Development) said that the post-2015 sustainable development agenda presented immense challenges that could be met only through effective global partnerships. The Organization for Economic Cooperation and Development (OECD) had a dual role: it had to hold its members to account for their development commitments, and it had to facilitate multi-stakeholder partnerships among its members, low- and middle-income countries, the private sector and civil society. OECD had worked with the United Nations to support the Global Partnership for Effective Development Cooperation, an inclusive, multi-stakeholder forum that maximized the impact of development partnerships through developing country-led processes. OECD hosted other international policy platforms on taxation, investment, illicit financial flows, green growth, gender equality and conflict as a means of sharing best practices, enhancing mutual accountability and engaging a range of partners on an equal footing.

54. The peer review mechanism was another instrument used by OECD to hold its members accountable for their commitments and it had been

adapted to fit the needs of various groupings, such as the Pacific Islands Forum, the African Peer Review Mechanism, the European Union and the United Nations. OECD also had a track record of maximizing global synergies by using evidence and data from existing sources, and driving investment in more data, better technology and greater accessibility. The international community should build on OECD-hosted initiatives such as the Partnership in Statistics for Development in the 21st Century, which was committed to evidence-based decision-making and better use of statistics through strengthened national statistical systems. High-level leadership; country-led and context-specific partnerships; agreed principles, targets, plans and enforcement mechanisms; and a focus on results were the keys to the success of global partnerships for development cooperation. OECD stood ready to share its tools, know-how and policy platforms in support of a more sustainable future.

Interactive dialogue

55. **Ms. Ibrahimova** (Observer for Azerbaijan) said that the post-2015 development agenda would require a global partnership, including resources to meet long-term challenges and an increase in official development assistance. As an emerging donor country, Azerbaijan was motivated by the need for domestic and regional peace. The country was landlocked and constrained by the continuing Armenian occupation of a part of its territory. Failure by Armenia to comply with Security Council resolutions affected its ability to mobilize domestic resources to meet domestic and international needs. Emerging donor countries, such as Azerbaijan, had the potential to work together to supplement the shortfall in official development assistance. The establishment of a truly global partnership would thus help to effectively finance the sustainable development goals.

56. **Ms. Simonyan** (Observer for Armenia) said that her delegation was concerned at the misuse of the Economic and Social Council to promote a narrow political agenda, and urged all delegations to refrain from raising the subject of conflicts that were under international mediation. In particular, she urged the delegation of Azerbaijan to refrain from such counter-productive practices in international forums, and instead to engage actively, productively and constructively in the negotiations convened for that purpose. In point of fact, Armenia had been subjected to an illegal blockade that impeded its sustainable development. Her delegation called on Turkey to take meaningful steps to bring an end to the blockade without preconditions, and to restore trade and transport links.

57. **The President** requested all delegations to keep to the topic under discussion.

58. **Mr.** Eric Jean-Marie **Zinsou** (Benin) said that the new sustainable development framework should be based on an accurate assessment of the challenges and needs of least developed countries and include quantifiable standards. Least developed countries would then be able to mobilize internal resources and allocate them to sustainable investments. Those countries needed to increase their tax base, broaden the scope of their economic activities and double their share in global exports. In so doing, they could create decent work and reap a demographic dividend. However, in view of the countries' limited financial resources, such efforts would require official development assistance, which could fulfil a catalytic role and attract private investment. The poorest countries also needed guarantees for small and medium enterprises and industries. International financial institutions should therefore review their approach to debt sustainability in order to take into account the importance of official development assistance, improve access to credit, fully integrate a new paradigm of sustainable development and improve the coordination of global governance.

59. **Mr. Pokharel** (Nepal) said that if least developed countries were required to garner internal resources to work towards the sustainable development goals, they would need to raise carbon and fuel taxes and remove subsidies. Such measures could raise the cost of development and deprive the countries of the infrastructure connectivity that they needed in order to sustain their achievements and maintain their competitive edge. Moreover, although such countries as Nepal made only a negligible contribution to climate change, they were among its greatest victims: the melting of glaciers had damaged farmland and affected livelihoods. The countries responsible for carbon emissions should help to mitigate those problems. In so doing, they would not so much provide assistance as make an investment in preserving the Earth and tackle a problem that they had themselves created.

60. Owing to the large number of proposed sustainable development indicators, there was a risk that countries could spread their efforts too thinly. The third International Conference on Financing for Development should explore ways to consolidate

outputs and enable stakeholders to focus on the bigger picture.

61. **Ms. Paramundayil** (Observer for the Society of Catholic Medical Missionaries) said that while some people lived in poverty, others had accumulated outrageous wealth, often through tax evasion and illicit cash flows. The world had the resources and expertise to eradicate hunger, provided that they were allocated appropriately. A renewed international partnership was therefore needed. The international financial institutions should be reformed and made more transparent, fair and representative of developing countries. The privatization of profits and socialization of losses must stop, and the gender gap must be bridged. A new tax framework focused on human rights should be developed. In all of those efforts, the needs of the planet should be paramount.

62. **Mr. Mitra** (Bangladesh) said that the sustainable development goals were a matter of critical importance for his country, which stood to lose one third of its landmass if the sea level rose any further. However, the situation was unlikely to change unless the sustainable development goals were backed by additional resources. Tax reform and innovative financing, for example, could help to fund growth and create decent jobs.

63. **Mr. Eun** Sung-soo (Observer for the World Bank) said that an increased awareness of the issues at stake at the third International Conference on Financing for Development had been in evidence at the 2015 spring meetings of the World Bank Group and the International Monetary Fund. Nevertheless, the issue of sustainable development often did not receive due attention, perhaps because the target date of 2030 appeared to be far in the future. The challenge lay in finding ways to engage with civil society and young people, and to highlight the critical nature of the issue.

64. **Mr. de Villeroché** (Executive Director, World Bank) said that the World Bank Group was in the process of reforming. It had already become more flexible and cost-effective, increased its leverage capacity, and was strengthening its expertise by building on global practices covering all aspects of development. It had made flexible use of the International Development Association to confront emergency situations, particularly the spread of the Ebola virus. The International Finance Corporation, which encouraged private sector investment in developing countries, was also reforming and directing more and more funding to low-income countries. The World Bank Group as a whole was greening its portfolio and providing loans to mitigate climate change and curb carbon emissions.

65. **Mr. Valle Pereña** (Executive Director, Mexican Agency for International Development Cooperation) said that it was important for all stakeholders to work together in a common framework, interact smoothly and foster domestic leadership and ownership. Procedures should be in place to measure national progress accurately, and accountability was paramount for all parties.

66. **Mr. Martínez-Soliman** (Assistant Administrator and Director of the Bureau for Policy and Programme Support of the United Nations Development Programme of the United Nations Development Programme) said that developing a human rights framework for international finance for development would be vital in order to uphold the right to education, health, food, development, freedom of participation, inclusion and peace. Emerging donors had an important role to play in financing for development. New actors were appearing, including the Green Climate Fund and new development banks. Yet, although development assistance was growing, it was not always directed in the ideal way. In addition to finding new sources of revenue, it was therefore vital to make the most effective use of existing resources.

67. **Ms. Killen** (Deputy-Director of the Development Cooperation Directorate, Organization for Economic Cooperation and Development) said that the Organization for Economic Cooperation and Development (OECD) was committed to reporting on the actions taken and holding its members to account. Over the previous year, aid levels had been maintained, but there was some concern at the reduction in aid flows to the poorest countries. OECD would continue working with partners to ensure that countries could access the right financing at the right time and in the right way.

68. She was pleased that the issue of aid quality had also been raised. Stakeholders should continue discussing that issue, concentrate on hard data and hold one another to account through formal and informal mechanisms. Lastly, OECD had a number of tools that could be used to help curb illicit financial flows and tax evasion and to ensure that all available resources were put to optimal use.

The meeting rose at 5.30 p.m.