Briefing in the margins of the UN General Assembly Second Committee

"**Mobilising development finance for the 2030 Agenda for Sustainable Development: next steps towards measuring "total official support for sustainable development" (TOSSD)**

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Remarks by H.E. Mrs. Lana Zaki Nusseibeh Permanent Representative of United Arab Emirates to the United Nations

Excellencies, colleagues,

Total Official Support for Sustainable Development is not the raciest terminology, even by UN standards, but in the UAE's view it is one of the most important and fascinating discussions this year, and I would like to thank the OECD and Demark for conceptualizing this event and inviting us to join.

As a developing country that has spent our post-independence years investing heavily to better our own conditions, we are extremely proud to have achieved very high levels of ODA as a percentage of GNI – over 1.1% for two years in a row. At the Sustainable Development summit last month, we reaffirmed our voluntary commitment to be a continually significant donor.

However, we are acutely aware from both our domestic and international experiences that ODA by itself – at around $135 billion per year – is not going to finance sustainable development. The SDG vision carries an estimated annual price tag in the trillions, and that's arguably conservative. Therefore, a much deeper and broader pool of resources must be mobilized – and measured – and ODA itself must evolve in its use.

Accordingly, the UAE, along with a growing group of donors, is committed to both leveraging ODA and increasing the flows of other financial resources for development, so that the total available for development is greater than what we could provide by ourselves. This means, for instance, that a new share of our portfolio will aim to de-risk investments, so that both private and public actors have the confidence to deploy their own resources alongside ours. Such interventions range from paying for infrastructure feasibility studies so that commercial investors deem projects "bankable," to lending to companies with strong development impacts, to providing capacity-building for hospitality workers in promising tourism markets.

With the Latvian PR, I am currently co-facilitating the General Assembly's review of the World Summit on the Information Society, and one of the richest discussions has been around "catalytic" aid and investment, putting the spotlight on such interventions as subsidized reverse auctions for universal internet service and mainstreaming IT education.

It is clear from many parts of the UN this year that “catalytic” is the operative word in international public finance.

For the UAE and other donors, the need to <u>evidence</u> that all these catalytic effects are happening is growing commensurately, with the underlying principle that the better we get at reporting and verification, the better we will see how to spend aid, and the more total development resources we can raise.

But before talking about TOSSD, I think it’s critical to make a point that, if not made, rightly raises alarm bells among developing countries when they hear donors brandishing words like catalytic and leveraging and crowding-in. The need for ODA is not decreasing – it is actually increasing. There are large swathes of society, such as in conflict settings, and public and natural goods that are subcommercial in today’s terms and will only see sustainable development with ODA or similar financial resources. There are furthermore many sectors that are perhaps approaching the tipping point on commerciality, but need a push from concessional finance to get them there. For instance, we know that renewable energy is actually now cheaper than business-as-usual power supply. However, deployment lags the business case in many markets, due to lack of knowledge and direct experience. It is for this reason that the UAE has provided over $750 million of ODA to kickstart domestic renewable energy sectors, and there are similar cases to be made in many other industries. In short, the 2030 Agenda means the term “catalytic” should never be a euphemism for “ODA budget-cutting.”

We see TOSSD as supporting this message. With its separate tracking of traditional ODA, important leveraging tools like guarantees, and the “catalyzed” resources, the TOSSD framework can maintain the focus on the ODA baseline and year-to-year changes, while importantly expanding the understanding – and proof – of the larger universe of financing options.

TOSSD will not be without controversy though, and I’d like to support four short points about its development that have come up in discussions to date.

First, additionality should be a primary focus. For development agencies, recipient countries, and donor governments and taxpayers, there will be questions about whether the investment would have taken place without the aid, and whether the catalyzed resources have had incremental development impacts. Measurement will be highly challenging, even with the lessons from the UNFCCC’s Clean Development Mechanism, but will underpin ultimate credibility.

Second, a multistakeholder approach will be essential to continually progressing and validating the TOSSD framework. Recipient countries, philanthropic foundations, commercial banks, and many other actors must have a role in defining

TOSSD, as well as a sense of ownership. We feel that OECD DAC, with its long history and excellent track record on development finance, is the natural home for this process, and we encourage the existing efforts to show that developing country stakeholders, as well as donors, are core participants.

Third, TOSSD must cement links with the 2030 Agenda, as well as FFD and the COP. These are the guiding pillars of development now, and can both inform and benefit from TOSSD. The Secretariats of these processes would ideally be anchors of the OECD-led group, and Member States can also advocate for TOSSD in follow-up and review.

Finally, the TOSSD workstream has great potential beyond measurement. Like any other market actor, donors prefer less risk to more. The OECD-led group, in tracking and defining catalytic interventions and new development resources, has the opportunity to publicize the ones that work, caution against those that don't, and inspire altogether new variations. This could be an equal legacy of TOSSD's evolutionary process, and I hope it will be. For if 2015 underscores that developing countries need more ODA, it makes crystal clear that they need even more TOSSD.