Statement by H.E. Mr. Omar HILALE
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On behalf of the African Group

Preparatory Process of the Third International Conference on Financing for Development
First drafting session
International public finance
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Co-facilitators,

I am pleased to deliver the following statement, on behalf of the African Group. I would like to thank you for convening this important session on international public finance.

At the outset, the African Group underscores that a strengthened global partnership for Sustainable Development is crucial for the implementation of the Post-2015 development agenda. We have in the past stressed that countries have the primary responsibility for their own development. However, the common challenges to be identified by the Post 2015 agenda will require global attention, that must go in line with the principal of common but differentiated responsibilities.

The global partnership for sustainable development should be complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

There is a need to take into consideration the level of development of a country and the type of investment. Donor countries should improve the management, coherence and coordination of international public support, through increased joint planning and programming on the basis of country led strategies and coordination arrangements.

On the Official Development Assistance (ODA), the African Group is of the view that all developed countries should ensure that their commitments of 0.7% of GNI target are met and we should further agree on concrete timetables to meet ODA commitments. While recognizing other important financing sources for the financing of the Post 2015 agenda, the African Group would like to underline that ODA will continue to play a
critical and catalytic role. At this juncture, the African Group is of the view that ODA should be better targeted to eradicate poverty and ensure sustainable development.

While the Group remains open for a transparent discussion at the United Nations on the proposed modernization of ODA. Any talks of modernizing the ODA should be inclusive and transparent and ensure the open exchange of views by both donors and recipients. In this regard, the Group sees the merit of the proposed Establishment of a fund from ODA grants to help finance social protection floors in the poorest countries, as well as the allocation of a specific share of ODA to LDCs and other vulnerable countries.

Noting the threats posed by climate change to sustainable development, the groups believes that Climate Change financing should be new and separate from ODA budgets, and should have is own separate stream of financing resources.

**Distinguished co-facilitators,**

ODA by itself will not be sufficient to fund the Post-2015 agenda. Therefore the Group is of the view developed countries should further explore additional resources from innovative mechanisms for sustainable development, including for regional and international public goods, e.g. infectious disease control, agriculture research, and climate change mitigation.

The Group calls for the Establishment of global funds for health, education, infrastructure, energy and agriculture.

The African Group underlines the need to create a conducive international financial environment to allow developing countries to access, solely on the basis of their income, less concessional funds from international financial institutions and development financing institutions. We need an equitable multilateral trading system, a conclusion of the Doha round, and better access to technology and to long term investments.

The African Group believes that the International public finance should complement and facilitate national efforts. Long term investments, including FDI are needed in critical sectors, especially in sustainable energy, infrastructure and transport as well as information and communications technologies. So long term sustainable development investments should be financed with long term funds.

Of critical importance is the international community’s recognition of African’s place as a partner and not a recipient of aid! That is, we need a fair representation in international financial and monetary systems.

**On South-South Cooperation,** the African Group recognizes that it is an essential component of international cooperation as it offers viable opportunities for countries of the global South to explore new avenues for technical collaboration as a part of North-South and triangular engagement. However, the African Group maintains that South-South cooperation is only a complement, not a substitute to North-South cooperation.
The African group would also like to underline the importance of regional integration as a fundamental tool for realizing development effectiveness for inclusive growth and development in Africa. Development cooperation should therefore fully recognize the active role of both the national and regional levels, thus serving to reinforce our own efforts at regional integration for national development.

We call upon Africa’s development partners to align their support to the Continent’s priorities in attending to the unfinished Aid agenda, thereby ensuring that Aid complements domestic financing and other alternative sources for effective development;

We underline that regional investments in key priority sectors require the expansion of innovative financing mechanisms, such as the leveraging of Aid to mobilize private financing and the possibility for multilateral institutions to directly support regional organizations particularly the RECs. Strengthening the capacity of RECs is a major prerequisite to achieving Development Effectiveness in Africa.

We urge development partners to identify new ways of planning, financing and implementing programmes and projects at the regional level, for example, through the establishment of regionally pooled and basket funds, comprising both domestic and external resources;

Africa’s overarching objective is to attain Development Effectiveness by optimizing the management and utilization of all policies, resources and processes. In the African context, for Aid to be effective, it must be fully integrated in the larger development context. We reiterate also, that the global development cooperation dialogue in Busan should shift focus from Aid to the broader context of Development Effectiveness for inclusivity, equity, gender equality, environmental sustainability and better development results.

In conclusion, distinguished co-facilitators, while we undertake this exercise, we must take into account that Africa requires ‘transformational capacities’ for leadership, inclusiveness and effective institutions to adequately respond to its renewal and growth agenda. Building effective and accountable states, capable of translating development policies into practice, aligning Aid resources with national priorities and delivering sectoral, national and regional development results, is therefore fundamental to creating sustainable conditions for development.

Capacity Development is the core vehicle to actualize the Continent’s exit strategy from Aid and take full control of its development. Africa has recognized Capacity Development as an agenda in its own right and has set its own priorities with the Capacity Development Strategic Framework (CDSF) adopted by the 14th African Union Summit of February 2010, as Africa’s common reference and policy guide on building, harnessing, nurturing, utilizing, adding value and retaining capacity.

I thank you