

# Special Event on Financing for Social Development

3 Feb. 2012, 3:00-6:00 pm

Conference Room 4 North Lawn Building

## Opening Statement by Chairperson, Mr. Mohamed Ibrahim Elbahi, Sudan

Excellences, Distinguished Delegates,  
Ladies and gentlemen,

It is an honour for me to open this very important Special Event on the “**Financing of Social Development**”, an event that the General Assembly requested me in my capacity as the Chairperson of the 50th Commission for Social Development to organize with the Secretary-General. I would like to take this opportunity to thank the United Nations Department of Economic and Social Affairs for its support in organizing this timely meeting. I would also like to express my sincere gratitude to all the distinguished experts who have joined us here today to discuss this important topic.

Distinguished Delegates,

We are all aware, and agree that financing social development is an investment in our societies and in economic growth. Our collective experiences have shown that without progress in key social sectors such as education, health, poverty eradication and reduction in inequality, economic growth can not be sustained and the environment can not be protected.

An inclusive and equitable society for all provides a peaceful and stable social and political environment for development. Progress in social development expands human capacity and empowers people to be agents of change in improving their lives.

How to mobilize financial resources for this critical investment is the focus of this special event today.

Financial resource mobilization for social development is pre-conditioned by the macroeconomic environment and supported by political commitment.

We are gathered here at a time when the performance of the global economy continues to be a major concern. Almost all leading institutions are pointing to a stalled global recovery, with the Euro area expected to fall into mild recession and the rest of the global economy to slow. The crisis in the Euro zone is affecting not only advanced economies but is also acting as a drag on emerging market economies and developing countries. With intensifying strains on the global economy, a key question we need to ask ourselves is how these developments are impacting the financing of social development, in particular poverty eradication efforts.

While I do not pretend to have all the answers, my hunch is, we are in for a tough time in the economic front.

For most developing countries, the primacy of domestic resource mobilization in funding social sectors still remains. However, in many of these countries, their fiscal space has been severely constrained by a series of global crises, in particular, the global financial and economic crisis as well as the food and energy crisis. These crises have negatively impacted the demand for natural resources such as oil, gas, minerals, and timber which are critical sources of revenues. Natural disasters and the ongoing effects of climate are further compounding their predicament.

More importantly, the social impacts of these crises have been tremendous as underscored by the sharp increase in unemployment, poverty, hunger and inequality.

Fiscal consolidation measures in advanced economies are negatively impacting domestic spending on social sectors and on social safety net programmes.

Furthermore, there are legitimate concerns that the flow of Official Development Assistance and Foreign Direct Investments are also being impacted by what is happening in major advanced economies.

It is my hope therefore, that this Special Event, which is being organized as a response to General Assembly resolution 66/191 of 22 December 2011 entitled “Follow-up to the International Conference on Financing for Development”, will contribute to galvanizing support for not only protection current levels of financing of social development, but also for scaling up such critical funding. Failure to do so will negatively impact the ability of poor countries to achieve internationally agreed development goals, including the MDGs.

Ladies and Gentlemen,  
Dear friends,

I look forward to a productive and interactive dialogue that will provide policy recommendations and practical suggestions to strengthen financing for social development in a challenging economic environment..