

**Intervention of the Republic of Ecuador, by Cecilia Vaca Jones,
Coordinating Minister of Social Development**

Third International Conference on Financing for Development

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Thank you very much Mr. President.

I have the honor to speak on behalf of the Community of Latin American and Caribbean States (CELAC).

Allow me to join others and congratulate you, as well as to the Government of Ethiopia for hosting this important event, and wish you the best success in order for the outcome document of this process to obtain the expected ambition hoped by all Member States regarding this Conference.

Our Heads of State and Government clearly reaffirmed in their last meeting, among others, that while at national level, the achievement of sustainable development depends largely on the design and effective implementation of economic, social and environmental policies, in line with the national agenda of priorities established by local authorities; at the international level, success depends on the support and commitment of the international community, the possibility of having an adequate **political space** and an enabling global environment, as well as a pattern of competitive insertion in the global economy.

Also CELAC expressed that any development process must take into account the different development dimensions, priorities, circumstances, realities and capabilities of countries, rights approach, the multidimensional nature of poverty, the enhancement of coherence, consistency and coordination of the international monetary, financial and trading systems.

Mr. President,

CELAC strongly believes that the ambition of the outcome document should be backed by key deliverables. We acknowledge that the current proposal on the table represents progress, however it is important to continue advancing, and establishing concrete actions in particular on the following elements:

1. Concrete elements for the promotion and the establishment of tailored strategies which advance in the direction of a comprehensive Action Plan for cooperation with Middle-Income Countries (MICs).
2. A follow up mechanism, that adequately reviews and enhances the FfD process, which also supports the United Nations development agenda beyond 2015.
3. The strengthening of the UN Committee of experts on international cooperation in tax matters, aiming to enhance its inter-governmental participation, while maintaining its technical character and providing it with adequate resources.
4. That private and innovative sources of finance as fully voluntary and not imposing undue burdens to developing countries, which are also complementary, and not substitution of other sources of Financing for Development.
5. The need to continue enhancing cooperation transparency, supervision, regulation and good governance of the international financial system, in order to assure international stability.

6. The reaffirmation of the need to conclude the Doha Round of trade and development as the core of a universal multilateral trading system.
7. That in order to achieve the internationally agreed development goals developed countries should urgently fulfill their Official Development Assistance commitments of 0.7% of GDP in developing countries.
8. The commitment to continue collaboration among developing countries, including through South-South cooperation schemes, under the principles established on the Nairobi Declaration.
9. Finally, the establishment of a holistic, multi stakeholder inclusive and transparent financing strategy that considers the particular needs and aspirations of all developing countries, specially of LDCs, LLDCs, SIDs, and the particular challenges of MICs.

Now Mr. President, in my national capacity, I would like to join the statement made by the Group of 77 plus China and share with our Latin American and Caribbean brothers the above concerns as well as maintains a growing interest in the development of a proposed program at a regional level which is organized around 5 axes: To reduce extreme poverty and inequality; education, science, technology and innovation; environment and climate change; infrastructure and connectivity; and financing for development.

However, I would like to put on the table a series of challenges to the viability of a true global partnership for sustainable development.

Ecuador rejects the position that States are considered another actor in the mobilization of resources and the eradication of poverty. On the contrary, we firmly believe that the State, by its inherent responsibility, is the key player in the global partnership as it has legitimately powers

for planning and steering control through policy and public investment, to generate pro dynamic economic development. Moreover, this global alliance should be framed primarily among all States and all other stakeholders must align and be governed under the policies and guidelines issued by them.

Ecuador has a National Strategy for Gender Equality and the Eradication of Poverty (ENIEP) which expresses the political-programmatic vision of our Government to eradicate poverty, understood as a multidimensional phenomenon and as a political and economical issue expressed in inequalities and concentration of wealth in few hands.

This policy space, which is very important, has been conditioned by multilateral financial institutions, in their different credit lines. Additionally it has also been part of the allocation and management of ODA and is well known by developing countries.

For this reason, we insist on the need for a binding legal framework on sovereign debt restructuring processes, with consistent and fair mechanisms, which are oriented to inclusive economic growth, international financial stability and sustainable development of all States, reason why we recall the Resolution 68/304 of the UN General Assembly.

Furthermore, we insist that sustainable development and Official Development Assistance must obey and be directed under the principle of common but differentiated responsibilities whose scope was restricted only to the climate field.

Ecuador strongly supports the vision and principles of Nairobi that clearly understood South-South cooperation as a relationship of equals and without conditions, while stressing the responsibility of developed countries to establish sustainable financing mechanisms.

For this reason, Mr. President, to include financing for development as the only means of implementation of the Post-2015 Development Agenda implies an evasion to multilateral obligations agreed in past conferences. Also to consider South-South cooperation and remittances as a substitute for Official Development Assistance is a subterfuge to evade this obligation.

Remittances are the result of the efforts of millions of people who left their homeland not for a whim but because their governments were unable to cope with economic crises generated too often by the adjustments promoted by international and multilateral financial institutions. It would be completely absurd that these private flows receive treatment that developed countries are not willing to accept for financial transactions, ergo, the imposition of the same. By contrary, to establish taxes on capital transactions would fund the fight against poverty and climate change, for example.

It is clear that we must strengthen those remittances channelling to productive sectors of our national economies. It is therefore vitally important to preserve the space for public policy. Do not ask us developing with less State presence. We know this is a contradiction according to history.

And if the eradication of poverty and the promotion of sustainable development are avtruly are a horizon of developed countries, they should lead the regulation of illicit capital flows. The overall volume of illicit flows is amply sufficient to finance some of the social development goals, including the eradication of poverty, estimated to cost 66 billion dollars per year worldwide. In the case of Latin America and the Caribbean, illicit flows are estimated at over 150 billion dollars, representing double of remittances and 14 times Official Development Assistance.

Lawsuits like this, rarely transcend multilateral spaces whose structure and functioning should be rethought.

Finally Mr. President, Ecuador reaffirms the need to democratize the multilateral financial institutions and to create a forum of global representation for economic issues within the UN system.

In order for commitments of Monterrey and Doha and those that henceforth will be generate do not go unheeded, it is necessary to establish mechanisms for monitoring and evaluation of results. Therefore, we rescue the progress that this conference brings, but do not forget that financing for development must not be undermined or confused with other processes whose importance and role deserve differentiated treatment and monitoring mechanisms.

The financing for development, effective today, does not reflect the changing power relations in a multipolar world where regions are increasingly important actors, and it does not fall-short for the internationally agreed sustainable development objectives. If we want to eliminate poverty, we need to change, and today more than ever this desire must go hand in hand with a strong and solid political will of all States present here to achieve these objectives.

I thank you Mr. President.