



Statement by H.E. Dr. Sahar Nasr, Minister of Investment and International Cooperation of Egypt

**On behalf of G77 & China at ECOSOC Forum on Financing for Development
Follow-Up (New York, 23-26 April 2018)**

**Madame President, Excellencies, Distinguished Delegates,
Ladies and Gentlemen,**

I have the honor to deliver this statement on behalf of the Group of 77 and China.

Allow me at the outset to express our appreciation for the efforts of the Presidency and Secretariat of ECOSOC for the preparation of the Forum. We express also our appreciation for the tireless efforts by the co-facilitators, Permanent Representatives of Jamaica and Permanent Representative of Portugal for preparing the draft conclusions and recommendations of this Forum and facilitating the process of consultations among Member States, which led to the intergovernmental agreement on that draft.

Madame President,

The Group of 77 & China has engaged constructively throughout the negotiations over the draft text of agreed conclusions and recommendations with a view to reaching a consensus-based outcome document encompassing all action areas of the Addis Ababa Action Agenda. Today, we are delighted that Member States have been able to reach such a consensus, which indicates the growing importance of this forum as the follow-up mechanism to assess progress, identify obstacles and challenges to the

implementation of the financing for development outcomes, and the delivery of the means of implementation for 2030 Agenda.

Madame President,

We reiterate that Finance for development should focus on channeling resources to poverty eradication, which is the overarching goal of the 2030 agenda and building a community with a shared future for mankind. In this context, any resources to finance development must be aligned with national priorities and development strategies of the countries taking into consideration different realities and contexts, and the principle of common but differentiated responsibilities. In addition, every country has, and shall freely exercise, full permanent sovereignty over all its wealth, natural resources and economic activity.

While we seek to achieve 2030 agenda, we should pay attention to any measures that could hinder accomplishment of the agreed goals. In this regard, we reaffirm that the imposition of coercive economic measures, including unilateral sanctions, against developing countries, does not contribute to economic and social development.

We must also focus our efforts in addressing the challenges for those most in need. We emphasize that the international community must address the challenges and needs faced by developing countries, especially countries in special situations, in particular, African countries, least developed countries, landlocked developing countries and small island developing States as well as specific challenges faced by many middle-income countries, conflict and

post-conflict countries and countries and peoples living under foreign occupation, while respecting the permanent sovereignty and territorial integrity of member states.

Madame President,

The world faces many challenges and risks that could hinder achievement of 2030 agenda. Cyclical upturn disguise significant weaknesses and medium-term risks. A disorderly tightening of financial conditions, the adoption of inward-looking policies and debt vulnerabilities as well as escalation of geopolitical tensions could disrupt development progress. Persistently high levels of inequality pose a challenge to robust growth and sustainable development. Declining private investment in infrastructure indicates inability to sufficiently align investment with long-term sustainable development. Those challenges should be addressed through our collective endeavors with a view to identifying the means to accelerate the pace of progress toward achieving 2030 agenda. In this connection, appropriate emphasis has to be placed on an enabling global environment and global partnership for development, balanced against the increasing emphasis being placed on domestic resource mobilization.

Madame President,

Official Development Assistance (ODA) is key and indispensable for achieving sustainable development goals and should be aligned with national priorities and development strategies of the recipient

countries. It is the main channel for international cooperation and must continue to remain so. While ODA increased since 2016, such increase is partly due to increases in funds for hosting and processing refugees within donor countries. This shift in ODA resources towards humanitarian and crisis situations is not consistent with long-term and sustainable approach to financing development needed to achieve 2030 agenda targets. Moreover, this increase is marred by the failure to increase concessional finance to the countries most in need as well as by the decline in the share of ODA to country programmable aid. We call upon developed countries to fulfill their commitments they have made as to ODA by achieving UN target of 0.7 per cent of their gross national income.

We reaffirm that South-South cooperation is a collective endeavor of developing countries based on the principle of solidarity. The core of the South-South cooperation is the technical cooperation and shared experience and knowledge among countries of the global South. South-South cooperation is a complement rather than a substitute for North-South cooperation.

Madame President,

International trade is an important source to finance development and achieving inclusive economic growth as well as poverty eradication. We reaffirm the significance of a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO), as well as meaningful trade liberalization, which can

stimulate development worldwide. We are concerned with the increase in the unilateralism and protectionist measures and rhetoric that will not only undermine the multilateral trading system, but also will lead to negative impact on access of the developing countries' exports to the global markets. History has repeatedly proved that isolation can only lead to a dead-end alley, and that the path will become wider only through openness and win-win cooperation.

It is a matter of deep concern that the Doha Development Agenda, which aims at addressing the systemic imbalances in the multilateral trading system and ensuring more integration of the developing countries in international trade, has not been concluded. However, we still believe that such imbalance could be addressed through multilateral trade negotiations under WTO. Multilateralism, including multilateral trading system and its rules, has been proved to be the most appropriate formula to address challenges facing humanity. In this context, we express our deep concern that the agreed conclusions and recommendations of this forum doesn't include any reference to the multilateral trading system due to the lack of political willingness to reach a consensus over this issue.

We stress that the WTO is the appropriate forum for setting the norms of international trade, and we encourage WTO to strengthen the developmental component within its architecture through strengthening special & differential treatment provisions in multilateral trade agreements.

Madame President,

Emerging debt challenges and vulnerabilities have intensified across developing countries since 2017. Several developing countries are fiscally constrained in generating resources needed for implementation of 2030 agenda due to their debt burdens. Risks of a potential renewed cycle of debt crises and economic disruption pose severe challenge to the achievement of the SDGs. We stress the need to explore the means and instruments needed to achieve debt sustainability as well as the necessary measures to reduce the indebtedness of the developing countries, including, inter-alia, debt relief through benefit from Heavily Indebted Poor Country Initiative, debt restructuring and sound debt management.

Madame President,

While developing countries seeks to maximize their domestic public resources in order to achieve 2030 agenda, through broadening the tax base, there is a need to continue addressing the international dimension of taxation. We reiterate the need to strengthen international cooperation on tax matters, recognizing with concern there is still no single global inclusive forum for international tax cooperation at the intergovernmental level. In that regard, we reaffirm the need to fully upgrade the Committee of Experts in Tax Matters to an intergovernmental body with experts representing their respective governments.

We note with deep concern the impact of illicit financial flows on the economic, social and political stability and development of developing countries. We call upon international community to strengthen cooperation to combat illicit financial flows in all its forms. In this regard, We call for further efforts by relevant national actors to mitigate transfer mispricing and trade misinvoicing by multinational corporations, with a view to broaden the tax base in host countries bearing in mind the need for developing countries to strengthen their domestic resource mobilization in order to achieve the Sustainable Development Goals. We look forward, with great expectations, to the high level meeting on international cooperation to combat illicit financial flows and to strengthen good practices on assets return to foster sustainable development, to be convened by the President of the General Assembly during the seventy third session of the Assembly.

Madame Prisedent

While we emphasize that contribution of private business to finance development should not be overestimated, we reiterate that private sector should contribute in mobilizing resources needed to finance sustainable development. Foreign direct investment should be increased and become more long-term oriented and aligned with national development priorities to support developing countries in implementing the SDGs. The international community must align financial markets with sustainable development. Member States

should strengthen cooperation to create the enabling environment for private resources to be adequately channeled towards long-term sustainable development goals.

Madame President,

The 2008 world financial and economic crisis highlighted the regulatory gaps in the international financial system. The structural reform of the international financial system and the relevant institutions is urgently needed to avoid recurrence of crises that could have severe negative impacts on the economies of the developing countries. Moreover, there is a need to make the international financial system and the relevant institutions more responsive to the needs and concerns of developing countries including broadening and strengthening their participation in the global economic governance and the international economic decision-making.

We reiterate the significance of addressing the constraints on technology transfer to developing countries. We encourage the transfer of sound technologies to developing countries on favorable terms, including on concessional and preferential terms, and urge the developed countries to lift artificial trade bans and remove restricted export measures on hi-tech goods to developing countries. We reiterate that enhancing capacity building in science, technology and innovation is essential for the progress of the developing countries in implementing SDGs.

Madame President,

We look forward for constructive engagement with our partners throughout this forum with a view to reaching solutions to address the challenges we face.

Thank You