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Third International Conference on Financing for Development 17 October 2014

Preparatory Process – First Informal Meeting

Statement by Mr Peter Versegi, Minister Counsellor (Development), Australian Mission to the United Nations

(Check against delivery)

Thank you Mr Chair.

Let me start by congratulating both co-chairs for your appointment. We'd also like, again, to extend our gratitude to the Government of Ethiopia, for offering to host this important conference.

It will be critical that the Addis Ababa Conference go beyond conceptual discussions, and focus on practical implementation and shared actions. We expect the conference and its outcomes to:

- Be based on strong analytical inputs;
- Be holistic, encompassing the full spectrum of means of implementation due to the practical and technical linkages between these issues;

: as per the Monterrey Consensus, this should include non-financial elements, such as policy and institutional environment, technological assistance and cooperation, and systemic issues;

- Find a suitable balance between *mobilisation* and *effective use* of all available tools and sources of finance;
- Progress evidence-based policy proposals on the key themes, starting from the country-level perspective
- Focus on a framework for action by all parties; and
- Be inclusive, including a wide participation of experts (including private sector, investors, and philanthropists) and close engagement with civil society.

Building a successful conference based on evidence: embedding and building on ICESDF report

As we stated at the PGA's stocktaking event, Australia believes that the Third Conference should be based on the strong framework provided by Monterrey, but built on by the report of the Intergovernmental Committee of Experts on Sustainable Development Finance in two key ways.

First, by recognising and reflecting the more sophisticated roles *all* countries now play in development. As the ICESDF report tells us, there are more actors in development finance than before: countries are now able to simultaneously be donors and recipients, reflecting the challenges and opportunities for middle income countries of development finance.

Similarly, all countries have a role in sharing the knowledge, expertise and technical know how they have built up over time in relation to specific development problems. The solutions we decide upon need to include all actors and all flows. If these new realities are not reflected in our discussions and deliberations new issues, new solutions and new opportunities will be overlooked.

Second, by working together to target what the evidence shows really works – the game changers in development finance, namely:

- Policies and actions to support domestic resource mobilisation
- Policies and actions to develop domestic capital markets

- Policies and actions to shift private sector flows into key government priorities using a range of blended finance instruments.

International public finance and ODA *will* remain important. International public finance will continue to be fundamental for a range of countries that are currently unable to access finance or mobilise sufficient domestic resources (such as LDCs, SIDS and fragile states).

But we need to re-think how we use ODA to unlock these flows of finance in all developing countries and build the capacities of all countries to generate the finance for their development.

Direct comments on the proposals by the Co-chairs: Financing Sustainable Development – Setting the Stage

Co-chairs, I'd like to thank you very much for the proposed road-map you have provided to member states. We think it provides a sound basis for us to go forward.

In terms of the timing of the sessions, Australia thanks the co-chairs for grouping the sessions as much as possible, as this will best enable the engagement of capitals, particularly financing experts. Capital engagement and country ownership will be critical to our success. For this reason, we would prefer the session on “Learning from Partnerships and Follow-up processes” be held on 12 December.

In commenting on the proposed work program of the substantive sessions on p 4 and 5, we are happy to provide some written comments to be of assistance, but would make one general comment at this stage:

Development finance is holistic – mobilisation and effective use and the policies used to achieve them go hand in hand - therefore while it is appropriate for key issues like the enabling environment to be raised in its own right (item 3), it should also be clarified that policy issues, including enabling environment and effective use are mainstreamed throughout the agenda so that discussions are not artificially separated.

Australia is keen to work with the co-chairs and member states to “think outside the box” and look at ways to develop our thinking in support of practical initiatives and outcomes, in support of, but separate to, the standard intergovernmental process.

We look forward to the discussions ahead, and are ready to support the co-chairs in their role in whatever way we can.

Thank you.