

*The Permanent Mission
of the Kingdom of Morocco
to the United Nations*



البعثة الدائمة
للمملكة المغربية لدى الأمم المتحدة
نيويورك

**Statement by H.E. Mr. Omar HILALE
Ambassador, Permanent Representative of the Kingdom of Morocco to the UN
On behalf of the African Group**

**Preparatory Process of the Third International Conference on Financing for
Development
First drafting session
General discussion**

New York, 28 January 2015

Co-facilitators,

I have the honour to deliver this statement on behalf of the African Group.

The African Group thank you for elaborating the element paper and notes that it contains important elements that can be part of the draft zero document.

The Group will make some preliminary observations and come up with specific comments at a later stage.

The Group see the merit of the structure contained in the document, nevertheless it finds it more pragmatic to adhere to the Monterrey structure with the addition of a specific pillar on technology, innovation and capacity building, as well as on monitoring, data and follow-up.

The African Group reaffirms the goals and commitments of Monterrey Consensus and Doha Declaration and highlights the importance of the need to address the challenges of financing for development in the spirit of the strengthened global partnership for development as a main component of the post-2015 development agenda. And in this context the Group reiterates its position on the important reference of the principle of common but differentiated responsibilities, as well as the right to development.

The Group would seize this occasion to emphasize that while countries have the primary responsibility for their own economic and social development, at the same time, economies are now interwoven with the global economic system and, inter alia, the effective use of trade and investment opportunities can help countries to fight poverty. Therefore, it's critical to support national development efforts by an enabling

international economic environment, and particular attention given to development frameworks initiated at the regional level, such as the New Partnership for Africa's Development, intra African trade, Africa Agenda 2063 and similar efforts in other regions.

Co-facilitators

As highlighted in the African Common Position, a development approach requires adequate policy space and productive capacities, notably through infrastructure development; science, technology development, transfer and innovation; value addition to primary commodities; youth development; women's empowerment. It also requires addressing the challenges posed by climate change, desertification and land degradation, drought, loss of biodiversity sustainable natural resource management; and promoting responsive and accountable global governance architecture, including through the full and equitable representation of African countries in international financial and economic institutions.

Regarding some specific areas, we want to underline that advances in public financial management, taxation, capital markets and other areas cannot occur in a vacuum of human and institutional capacity. Governments pursuing reforms with a view to improving domestic resource mobilization have generally had to invest in improving human capacity and/or acquiring such skills from outside their countries.

Alongside addressing capacity and constraints, it is vitally important to address tax evasion of transnational companies and domestic enterprises.

The group wants to underline that African countries will secure much important resources from it extractive sector with fair and equitable contracts and additional resources will be made with a minimum procession of raw materials in the continent.

Africa realizes that efforts for curbing illicit financial flows (IFFs) transcend national and regional boundaries. They drain foreign exchange reserves, which limit the capacity of our countries to import. They also negatively affect domestic resource mobilization by reducing the tax collection base. Additionally, they undermine the rule of law, stifle trade and worsen countries macroeconomic conditions.

We need to improve the international institutional framework that encourages greater levels of transparency and accountability in both private and public sectors.

The African Group holds the belief that human resources are the most precious and valuable assets that countries possess. The realization of full and productive employment and decent work is essential particularly through fostering inclusive economic growth and enabling international environment. In this regards, we recognize the importance to invest in human capital and capacity building.

Co-facilitators,

Food security, nutrition and sustainable agriculture will be central to achieve the post-2015 agenda of sustainable development. Progress towards food security and nutrition can bring countries close to post-2015 aspirations of inclusive growth, reduction of inequalities, resilience, decent employment, and social protection.

According to the FAO State of Food Insecurity in the World of 2014, some 805 million people still lived in chronic hunger in 2012-2014, of which 227 million in Africa. Chronic hunger remains strongly correlated with food access problems, primarily due to poverty but also to other factors like conflict and poor infrastructure. Actions targeted to rural populations in Africa are thus of utmost importance, and agriculture is the most effective way to reduce poverty in rural areas. Sustainable agriculture also has the unique potential to mitigate climate change and strengthen climate resilience of rural livelihoods.

As a financing framework for the post-2015 agenda is defined, the allocation of resources to ending hunger and malnutrition and promoting sustainable agriculture and inclusive rural development should be seen as highest priority. Public investments remain critical in several areas, notably in agricultural and nutrition-related research and technology development, social protection, education and capacity development. The enabling framework for channeling public finance towards food, nutrition, and agriculture should help achieve multiple benefits, including increasing productivity, greater resilience, and environmental sustainability. Promoting gender equality and the empowerment of women requires specific focus in financing provisions and investments. Measures are needed to boost private and community investment towards sustainable and inclusive food systems. These must boost the capacity to invest of small producers and processors.

The above needs have been captured in the NEPAD's Comprehensive Africa Agricultural Development Programme (CAADP) and reiterated in the June 2014 Malabo Declaration on the accelerated agricultural growth and transformation of shared prosperity and improved livelihoods.

Co-facilitators

The African Group underlines that ODA should remain a separate category in the new financing for development framework and not be blended with private financing and calls for a need to set a binding timetable to make sure donors fulfill their commitments.

The Group underlines that FDI, which have traditionally been concentrated in a small number of resource-rich countries seems to incorporate new sectors like technology, telecommunications, service sectors, industry, agriculture and infrastructure, showing the unique investment opportunities in Africa that need to be encouraged through enhanced partnership with governments.

The Group also emphasizes on the need to reduce transfer costs of remittances, which cannot be considered as a substitute for public sources of financing for development, and enhance their effective management.

The Group also expects that debt relief will be used to contribute to Post-2015 development agenda to the same extent that it helped spur the MDGs implementation.

The Group highlights that a stable global financial architecture that supports global systemic economic risk management and that emphasizes the importance of financial and investment flows as opposed to aid as well as fair and inclusive multilateral trading systems is vital for financing development in Africa.

Increased levels of exchange rate volatility have a strong impact on trade performance by constricting levels of domestic investment, destabilizing relative prices of export products, increasing the price of access to finance for production and shifting the value of market access concessions. By affecting the prices of essential imports such as food and energy, they also carry consequences for food security and the balance of trade. Without a reformed international financial and monetary system that can counter these trends, developing countries will continue to be disadvantaged in global trade, even while dealing with a disproportionate share of environmental impacts.

Given the limited size of potential markets at the level of single nations, as well as the fixed costs associated with the setting up of adequate regulation and surveillance mechanisms, it's important to take into account the specificity of Africa efforts at regional or sub-regional level to create viable financial hubs within Africa.

The Group wants also to recall Monterrey Consensus, highlighting that peace and development are mutually reinforcing, and in implementing the SDGs, we should pursue our shared vision for a better future, by eradicating the root causes of conflicts.

The Group also insists on the need to increase developing country access to markets for agricultural goods and other products of importance; removing non-tariff measures with discriminatory restrictive impact is proven to have significant developmental and poverty reduction potential, particularly for low-income countries (LIC).

The African Group is open to ideas pertaining to the forms of partnerships, which have exhibited value addition in the implementation of internationally agreed development goals, including the MDGs. We would need a formal mechanism for ensuring predictability, reliability and sustainability of such partnerships.

The new global framework should support a stable global financial architecture that promotes global systemic economic risk management, emphasizes financial and investment flows as opposed to aid, and promotes a fair and inclusive multilateral trading system.

I thank you