EXECUTIVE BOARD OF UNDP, UNFPA AND UNOPS
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AGENDA ITEM 10: UNITED NATIONS CAPITAL DEVELOPMENT FUND
THURSDAY, 30 JANUARY 2014

STATEMENT BY BELGIUM ON THE UNCDF STRATEGIC FRAMEWORK 2014-2017

Mr. President,
Mr. Executive Secretary,

Let me start by expressing our support for the work of UNCDF and let me thank the Executive Secretary for the presentation of the 2014-2017 Strategic Framework.

This draft is the result of a broad consultative process involving all major stakeholders in UNCDF. The information received on the background and the issues that are at stake has been really useful in understanding the way the Strategic Framework has been crafted.

The Framework comes at the right moment. In September 2013 this Board approved the UNDP 2014-2017 Strategic Plan, including the section on working with UNCDF; and also approved the inclusion of UNCDF in the UNDP programming arrangements. The UNCDF strategic plan fits into the wider objectives of UNDP. We also encourage UNCDF to scale up a number of existing partnerships with other UN agencies, in particular IFAD and FAO in the area of rural/agriculture finance and ILO in the promotion of micro-insurance. We also welcome UNCDF's intention to develop an active UN inter-agency dialogue and cooperation on financial inclusion.

Mr. President,

The mandate of UNCDF is unique within the UN system. It provides investment capital and technical support to both the public and the private sector of primarily the Least Developed Countries, which makes UNCDF of critical importance for these countries.

UNCDF also plays a crucial role in developing investment strategies that are economically sound, and at the same time socially and environmentally sustainable. We support UNCDF in its endeavor to continue to develop inclusive financial systems and ensure that a range of financial products is available to all segments of society, at a reasonable cost and on a
sustainable basis. We note with interest the plans for further diversification in so-called frontier investment and new financial products. While we are not against this, we would like to stress that we need clear “rules of engagement” for these activities. We need innovation, but we also need consolidation and careful portfolio management.

Mr. President,

We encourage UNCDF to continue to operate within the wider framework of the MDGs and the emerging post 2015 development agenda. New trends in development finance will be an important feature of this new agenda and this will shape the agenda in which UNCDF operates. Belgium believes UNCDF can play a pilot role in finding new solutions that can help mobilize additional sources of capital for development and design mechanisms for financial resources to be used more effectively and efficiently, especially in the LDCs. The post 2015 agenda will be centered on the idea of creating partnerships and UNCDF is well placed to foster such partnerships and innovative approaches towards development financing.

Belgium also believes that the specific needs of the least developed countries and fragile states merit particular attention in the development of the post-2015 framework. We note with appreciation UNCDF’s intention to continue to focus on LDCs and call upon UNCDF to broaden its range towards all LDCs.

Finally Mr. President,

In the past few years UNCDF has been operating in an environment of increasing non-core resources and stagnating core resources. We understand the importance of securing a minimum level of an estimated USD 25 million per year of core contributions in order to achieve the ambitions of the Strategic Framework. Belgium remains committed to do its part and I am pleased to announce that our contribution to the core resources of UNCDF will in 2014 and in 2015 remain at 2 million euro per year. Furthermore, UNCDF will remain a privileged partner of the Belgian Fund for Food Security allowing for non-core contributions that will at least match the level of the contributions to the core.

We call upon all donors to help UNCDF in achieving the 25 million target and we urge the UNCDF management to continue all efforts to broaden its donor base. UNCDF’s high ranking at the 2013 Smartaid index that measures the effectiveness of microfinance funding clearly demonstrates that the organization has an important role to play in the international sustainable development architecture.

I thank you for your attention.