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Statement

By

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On behalf of the African Group

On

Agenda Items 17(b): International Financial System and Development & 18: Financing for Development

At

The Second Committee of the 68th Session of the General Assembly

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New York
Mr. Chairman,

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

The African Group associates itself with the statement made by the Group of 77 and China and would like to thank the Secretary-General for his reports on the two agenda items under discussion today.

Mr. Chairman,

Our Committee is deliberating on these agenda items at a critical juncture. The Sixth High-Level Dialogue we had on financing for development last week afforded us the opportunity to have a constructive discussion on the current global economic situation and on measures that need to be taken to address the effects of the global economic slowdown, particularly on the most vulnerable countries.

Most importantly, the high-level dialogue has drawn the attention of the international community to the need of upholding the foundations of the global partnership for development as set out in the Monterrey Consensus and Doha Declaration on Financing for Development.

With the official development assistance declining for two years in a row, timely measures must urgently be taken to address the shortfall to enable developing countries, particularly the LDCs, sustain the development gains they have made and adapt to new and emerging challenges. It is in this spirit that the African Group attaches great importance to the work of the Intergovernmental Committee of Experts on Sustainable Development Financing and hopes that the Committee's contribution would be taken seriously and that its mandate would prove to be meaningful, thus its creation being more than nominal. In fact, the work of this Committee is inextricably linked to the work of the Open Working Group on Sustainable Development Goals, for, as we all know, the problem surrounding the means of implementation of the internationally agreed development goals we have hitherto set continue to be the major impediment to success in development cooperation.
In financing our development, we in Africa are also confronted with other challenges that hinder the development of our productive sectors. Although we draw satisfaction from learning that the share of greenfield investment, particularly in infrastructure, has recently been increasing in the least developed countries, we remain concerned that FDI to Africa remains limited with the flow concentrated in very few countries. This trend needs to be changed if FDI inflow is to contribute meaningfully to the development of economic sectors in the continent.

We Africans are also aware of the significance of mobilizing our own resources to finance our development. As stated in our Group’s statement during the High-Level Dialogue last week, it is important that the international community supports the efforts of countries in the continent to develop their capacities of collecting public revenues so as to finance their development in an effective manner. We take seriously the view that domestic mobilization of resources is one area where we need to do more in Africa.

The Africa Group also believes that the conclusion of the WTO Doha Round of multilateral trade negotiations would contribute significantly to poor countries benefit from the global trading system. It is in this regard that we call on the international community to engage in a positive spirit to make progress in the upcoming Ministerial Conference in Bali in December.

Our Group calls on donors to fulfill their commitment of providing 0.7% of GNI as ODA, with 0.15-0.2% to LDCs. As commitment goes, we should also reiterate our call for the mobilization of the 100 billion USD for the Green Climate Fund by 2020, and for the Fund’s operationalization by 2014.

Mr. Chairman,

It has now become obvious Africa is indeed changing. But conducive global environment would be required for this to be sustainable.

The instability in the global financial system poses serious threat to the gains achieved so far in the continent. The available evidence shows that the positive
developments in the continent were in fact affected by the onset of the global economic crisis in 2008.

It is therefore crucial that African countries be assisted to manage rebuilding their fiscal buffers to mitigate the effects that stem from the current economic slowdown.

Furthermore, enhanced technical assistance and lending facilities coupled with concessional financing help many vulnerable countries in Africa mitigate external shocks without aggravating their debt vulnerabilities.

The Africa Group also firmly believes that international financial institutions should have a more representative, responsive and accountable governance structure.

In conclusion, Mr. Chairman, now that we are in the final stretch to 2015, there is a need to scale-up our efforts so as to lay a strong foundation for development finance to play a critical role in the new global development agenda. We must review the progress we have made and the challenges we have faced so that we can design a strong mechanism of financing development to achieve our overarching objective of eradicating poverty. And it is on the basis of this critical need that our Group reiterates the call for a follow-up international conference on financing for development to be held before the end of 2015.

I thank you.