

**Expert Discussion 2**

**“The specific challenges to finance sustainable development for countries in special situations”**

Thursday, 25 May 2017, 12 – 1 p.m., Trusteeship Council Chamber, United Nations, New York

**Tentative programme**

*Moderator:* **Mr. Magdy Martínez-Solimán**, Assistant Administrator and Director, Bureau for Policy and Programme Support, United Nations Development Programme (UNDP)

*Panellists:* **H.E. Mr. Tevita Lavemaau**, Minister of Finance and National Planning, Tonga

**Mr. Nim Dorji**, Finance Secretary, Ministry of Finance, Bhutan

**Ms. Margarida Rose da Silva Izata**, Director of Multilateral Affairs, Ministry of External Relations, Angola

**Mr. William Jose Calvo Calvo**, Deputy Chief Negotiator for Climate Change and Sustainable Development Official, Costa Rica

**Background note**

The Addis Ababa Action Agenda emphasizes the need to address the needs and challenges faced by countries in special situations, in particular African countries, least developed countries (LDCs), landlocked developing countries (LLDCs), and small island developing States (SIDS), as well as the specific challenges facing middle-income countries (MICs). It commits the international community to support these countries and the implementation of relevant strategies and programmes of action.

This round table will discuss challenges that such countries face and measures by the international community that could help overcome them – focusing in particular on investment promotion, ensuring access to finance when countries graduate, and structural constraints to domestic resource mobilization.

LDCs face a number of obstacles that limit their ability to benefit from greater investment, including poor physical infrastructure, limited links between formal and informal sectors, and limited capacities. LDCs themselves have made efforts to attract more investment, including foreign direct investment (FDI), by improving the investment climate, strengthening investment promotion and facilitation, fiscal incentives, special economic zones, and special investment promotion agencies, amongst other measures. For example, the Zambia Development Agency acts as a ‘one stop shop’ to offer both local and foreign investors fast registration services, and provide fiscal and non-fiscal incentives for investments in priority sectors.

The 2017 report of the Inter-agency Task Force underlines the importance of aligning investment promotion with all dimensions of sustainable development, and of carefully designing any incentives. Investment policy should be embedded in a broader industrial and sustainable development strategy so that investment contributes to achieving the Sustainable Development Goals (SDGs). Bhutan’s FDI policy is embedded in its long-term development vision of maximizing Gross National Happiness.

The Addis Agenda also recognizes the specific development needs of MICs. As more developing countries pass per-capita-income thresholds, their access to external (both concessional and non-concessional) public finance tends to decrease faster than can be compensated by increasing tax revenues or access to affordable market-based finance. Yet, countries often continue to face significant development challenges, including high rates of poverty and inequality, and to be subject to a range of risks and vulnerabilities. Many countries have called for broadening eligibility criteria for concessional financing to move beyond income, and thus more accurately reflect risks and vulnerabilities.

Such vulnerabilities are pertinent in SIDS, which face a number of common development financing challenges due to their small size, remoteness, and vulnerability to external and environmental shocks. With limited capacity to mobilize public resources domestically, some of them remain dependent on international support. Similarly, the high transport and trade transaction costs – due to their geographical remoteness and isolation from major world markets – hamper LLDCs development efforts, and call for enhanced support, in particular in the areas of infrastructure and trade.

### **Guiding questions**

1. What actions can be taken to strengthen investment promotion regimes in countries with special needs, especially the LDCs?
2. What needs to be done to effectively implement the call in the Addis Agenda to develop graduation policies that are sequenced, phased and gradual, and help ensure that countries have access to sufficient affordable finance after graduation?
3. What international support measures can be taken to help SIDs and LLDCs address their respective structural constraints in mobilizing more domestic resources for sustainable development?

### **Further reading**

Note by the Secretary-General on “Financing for development: progress and prospects” (E/DDFD/2017/2), paragraphs 18-24 and 46.

[http://www.un.org/ga/search/view\\_doc.asp?symbol=E/DDFD/2017/2](http://www.un.org/ga/search/view_doc.asp?symbol=E/DDFD/2017/2).

Financing for development: Progress and prospects, 2017 report of the Inter-agency Task Force on Financing for Development, chapter II. Financing investment and social protection, pgs. 11-27.

<http://developmentfinance.un.org/financing-development-progress-and-prospects-2017>.

Online annex of the Inter-agency Task Force on Financing for Development, Addressing the diverse needs and challenges faced by countries in special situations,

<http://developmentfinance.un.org/addressing-the-diverse-needs-and-challenges-faced-by-countries-in-special-situations>.

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## SPEAKER BIOGRAPHIES



**H.E. Mr. Cristián Barros Melet** was appointed Permanent Representative of Chile to the United Nations in April 2014. Prior to his appointment, Mr. Barros was his country's Ambassador to India, concurrently accredited to Sri Lanka, Bangladesh and Nepal. A career diplomat of 40 years' standing in Chile's Foreign Service, Mr. Barros served as Ambassador to Italy, Peru, United Kingdom, Ireland and Denmark. He has served also as Permanent Representative to the Food and Agriculture Organization, Director-General for Foreign Policy, Director-General for Administrative Affairs, and as Head of Cabinet to the Director-General for Foreign Policy. He was educated at the Law School of the Universidad de Chile and the Andres Bello Diplomatic Academy.



**Mr. Magdy Martínez-Solimán** is Assistant Secretary-General of the United Nations, and UNDP's Assistant Administrator and Director of the Bureau for Policy and Programme Support. He is also UNDP's senior focal point for the 2030 Agenda and the Co-Chair of the UN Development Group's SDG Task Force. Prior to this appointment, he was the Deputy Director, Bureau for Development Policy, UNDP. Mr. Martínez-Solimán has been working for the UN for 20 years, focusing on electoral assistance, public financial management, democratic transitions and national dialogue. He is a lawyer by training, a former practicing barrister and Assistant Professor of International Law. He has worked and written on Political Systems and provided legal counseling in Constitutional and Administrative Law. Mr. Martínez-Solimán initiated his Law Studies at the University Complutense of Madrid, holds a degree in Law (Juris Doctor) from the Universidad de Malaga and has been a Member of the Spanish Bar Association since 1984.



**H.E. Mr. Tevita Lavemaau** is the Minister of Finance and National Planning of Tonga.



**Mr. Nim Dorji** is currently the Finance Secretary of Royal Government of Bhutan. Mr. Dorji joined the Civil Service in 1988 and served in various important positions in the Royal Government. Mr. Dorji also served as a World Bank consultant in the Poverty Reduction & Economic Management (PREM), South Asia, World Bank, and as the Joint Secretary in the Ministry of Finance. Mr. Dorji is also a Board Member in regional and international organizations such as SDF, World Bank and ADB. Mr. Dorji holds a Master degree in Business Administration (MBA) from the University of Canberra, and a Bachelor of Commerce with Honors from the Sri Ram College of Commerce, Delhi University.



**Ms. Margarida Rose da Silva Izata** was appointed Director of Multilateral Affairs in the Ministry of Foreign Affairs in Angola in August 2011. Prior to her work in the Ministry, Ms. Izata also served in the Angolan Ministry of Planning and Territorial Development, and in the Ministry of Commerce. Ms. Izata has a Bachelor of Science in Economics and Master's Degree in Conflict Resolution and Prevention.

**Mr. William Jose Calvo Calvo** is the Deputy Chief Negotiator for Climate Change and Sustainable Development Official in Costa Rica. He is a career diplomat and was responsible for the negotiations related to the Addis Ababa Action Agenda and the Agenda 2030 for Sustainable Development. He has been involved also in several processes related to sustainable development and financing for development and has been instrumental for Costa Rica's championship in the promotion of the sustainable development needs of Middle-Income Countries. He holds a MA in Diplomacy from Malta University and post-graduate studies from the Universidad Nacional de Costa Rica.