

**The 2019 ECOSOC Forum on Financing for Development**

**New York, 15-18 April 2019**

**Special High-level Meeting with**

**The Bretton Woods institutions, the World Trade Organization and the  
United Nations Conference on Trade and Development**

**Tuesday, 16 April 2019 at 3.00 p.m.**

*Unabridged version - Please check against delivery*

**Statement by H.E. Mr. Salim Baddoura (Lebanon),  
President of the UNCTAD Trade and Development Board**

Thank you, Madam President.

1 It gives me great pleasure to address this session of the 2019 ECOSOC Forum on Financing for Development in my capacity as President of UNCTAD's Trade and Development Board and thus on behalf of the Members of the Board.

2. Much has happened since the last ECOSOC forum to review the financing for development process, let alone since Monterrey itself. Worrying trends are undermining the rules based international order. Despite some encouraging signs on the development front, humanity is beset by systemic risks compounded by the erosion of multilateralism and the rise of extremist ideologies premised on forms of intolerant nationalism and exceptionalism. The multilateral trading system is faced with increasing restrictions and tensions. And, circling back to the FfD process, overcoming chronic underfunding though crucial for the accomplishment of the ambitious Sustainable Development Goals is proving a daunting task for us all.

Madam President,

3. The challenges both to financing for development in a very uncertain world require much more than tinkering at the margins; they require a renewed commitment to the transformative approach to multilateralism and development that characterized the participants in both Monterrey and UNCTAD I.

4. In the past the international community has proven capable to measure up to the challenges posed by the global environment when it was subject to fundamental changes. The creation of UNCTAD in 1964 and the launching of the financing for development process, more recently, attest to that. Today, once again drastic changes are happening at a very quick pace. We need to adapt the

global rules and frameworks in a way to mitigate the threats and harness the opportunities posed by a rapidly evolving environment

5. The evolution of the global environment has been challenging both for FfD and UNCTAD. In order to cope with this evolution we need to broaden our narrow technical perspective and to shift our gaze increasingly to the global. In UNCTAD we are gradually coming to a realization that part of what makes UNCTAD indispensable is that as a transformative institution, one of its key functions is to help us better understand the world, and in doing so to formulate concrete approaches to gradually achieve its transformation.

6. UNCTAD's three pillars have proven surprisingly resilient and as we prepare for UNCTAD XV in 2020, we are beginning to think about how to best capitalize on this crucial diagnostic function. By better understanding the world, UNCTAD's analysis opens the door for more informed intergovernmental deliberation and in so doing expands the possibilities of arriving at concrete action that will deliver results. I would therefore like to briefly touch on how we have been doing in this in the various facets of UNCTAD's work.

Madam President.

7. Strengthening the contribution of **international trade** as an engine for inclusive economic growth and poverty reduction has been central to UNCTAD's work. In 2018 we saw growing trade tensions, and trade growth is already expected to slow in 2019 with risks associated with escalating trade tensions. These challenges present an opportunity to take a fresh look at the multilateral trading system, finding solutions to meet its current challenges, revamping it for new and contemporary realities and updating the WTO.

8. We have recently witnessed global recognition of the contribution of the multilateral trading system and commitment to support the necessary reform of the WTO to improve its functioning. When supported by policies aimed at reducing inequality and at gender empowerment, trade has income distributional effects, in both developed and developing countries. In this time of tensions and opportunities, UNCTAD through its research outputs, has highlighted the potential damaging impacts of trade tensions for world trade and particularly for developing countries, while in parallel offering policy proposals to cushion the adverse effects of a complicated trade landscape.

9. For example, today the Least Developed Countries (LDCs) remain far below the target of doubling their share of global exports by 2020. UNCTAD works closely with LDCs to help them deal with Non-Tariff Measures (NTMs), which are more a barrier to trade than tariffs. Every year LDCs forego USD 23 billion in exports to G20 countries due to NTMs. The integration of the different aspects of UNCTAD's work is particularly visible in the support provided to **Least Developed Countries**. The Trade and Development Board recently debated the findings of the Least Developed Countries Report 2018: Entrepreneurship for structural transformation: Beyond business as usual. It was highlighted that for the LDCs to progress towards achieving the Sustainable Development Goals, they need to transform the structure of their economy. This requires, in turn, dynamic entrepreneurship that introduces innovations in spheres such as production, consumption, transport and administration. In addressing the special challenges of Africa, UNCTAD has also been closely supporting and advising on the negotiations of the new African CFTA, a landmark agreement not only for Africa, but an example for the world in this difficult time for trade.

10. In relation to **finance and debt**, the second session of UNCTAD's Intergovernmental Group of Experts on Financing for Development took place in

2018. Its focus was to analyze the current debt vulnerabilities in developing economies and discuss policy options and reform needs arising from systemic risks and global drivers of debt distress in developing countries.

11. Attention was paid to the plight of the environmentally vulnerable middle-income countries and small island developing States and the role of multilateral support for the mitigation of rising debt vulnerabilities in least developed countries, including through technical assistance for increased debt transparency.

12. Experts explored several avenues for fair and effective debt resolution mechanisms – where debt burdens have become unsustainable. If these trends continue, many countries will face unsustainable debt burdens that could jeopardize development goals as governments spend more on debt service and less on infrastructure, health, and education. Also, high public debt constraints the “maneuverability” of governments to allocate additional funds to advance sustainable development objectives and to fight poverty.

13. The Intergovernmental Group of Experts concluded by adopting some policy recommendations which are transmitted, as an input, to the ECOSOC Forum. I invite you to consult the detailed report and agreed policy recommendations made available online. UNCTAD is also organizing a side event during this Forum to further our discussion on these issues.

14. **Investment** is another essential ingredient in the achievement of Agenda 2030. UNCTAD’s World Investment Forum (WIF) has consolidated its position as a platform for the regular exchange of experience and best practices on investment and enterprise policies for development. The 2018 World Investment Forum brought together over 6,000 stakeholders from 186 countries, 11 heads of State/Government, 55 economic ministers, many senior policymakers, over 70

parliamentarians (many overseeing national budgets and finance), as well as many other investment stakeholders from over 100 countries.

15. The Forum yielded many concrete outcomes in support of the SDGs that contributed to enhancing sustainable financing strategies and investment and to exploit the potential of financial innovation, new technologies and digitalization to provide equitable access to finance. I would like to highlight the launch of the “Toolbox on Financing for the SDGs” in collaboration with the President of the 72<sup>nd</sup> UNGA. The Toolbox is an online global resource platform for initiatives on sustainability financing.

16. During this ECOSOC Forum, UNCTAD in partnership with the FfD Office of the Department of Economic and Social Affairs (DESA), is co-hosting the SDG Investment Fair, which provides a central platform for closing the SDG investment gap. I am also pleased to note that UNCTAD and DESA are joining hands with other UN entities in co-hosting the Secretary-General’s initiative of establishing a CEO Alliance on ‘*Global Investors for Sustainable Development*’ (GISD) as part of the implementation of his Strategy for Financing the 2030 Agenda for Sustainable Development.

17. **Technology** is an important enabler for the financing for development agenda. For instance, e-commerce opens new trade opportunities. However, many developing countries, particularly in Africa, remain relatively under-connected to the internet and thus to e-commerce platforms.

18. Strengthened emphasis on e-commerce and the digital economy was one of the key outcomes of the outcome of UNCTAD 14. As a result, UNCTAD now provides an integrated work program combining the Intergovernmental Group of Experts on E-Commerce and the Digital Economy, and UNCTAD’s E-commerce

Week with research and analysis outputs and tailored technical assistance to ensure the impact of our work. This program responds to a need to deepen discussions on the development implications of digital trade, to ensure its inclusiveness and sustainability and to address the digital divide, which remains a challenge for developing countries. The role of industrial and productive capacity policies in the digital economy; and technology and innovation as effective means of implementation of the Sustainable Development Goals, are other issues we have explored.

19. At the same time, UNCTAD has provided a platform to discuss not only about the opportunities but also about the challenges for developing countries. Concerns have been raised about the implications of the winner-takes-all phenomenon in the digital economy. The data-related questions of our time have also been prominent, such as how data should be exchanged across borders, and how the value generated in data transactions should be shared to optimize development outcomes.

20. UNCTAD has also continued to act as Secretariat for the Commission on Science and Technology for Development (CSTD) and therefore continues to respond to the Commission's recognition that the digital economy has enormous potential for social good and the achievement of the Sustainable Development Goals.

Madame President,

21. I would like to leave us with a few thoughts as we gaze towards the future. The General Assembly Dialogue on FfD and the ECOSOC Political Forum provide important opportunities to continue enhancing the links between Geneva and New York. This is especially important as we work together to ensure greater

complementarity in the various major UN processes on development. As we begin preparations for UNCTAD XV, we look forward to benefitting from the ideas and discussions in New York. Likewise, we hope that our work will result in meaningful contributions to your work in New York and throughout the UN family.

22. I also believe that the experience we have in the FfD process in bringing together the institutional stakeholders can be adopted and adapted to the broader UN community. While continuous fruitful engagement happens at the working level, our governing bodies can also benefit from this type of interaction.

23. Finally, UNCTAD being a consensus-building institution located where most countries have significant technical capacity in key development-related areas, we may all wish to consider tapping on this expertise when negotiating key development-related resolutions. I am confident that this would enrich the work of both New York and Geneva and would lead to a more coherent role for the United Nations both on development issues, as well as in strengthening global economic governance.

Madam President.

24. I hope that by being innovative in our thinking and courageous in our actions, we will – together – create the enabling environment needed to maximize the developmental impact of the UN as well as generate the political will necessary to fully realize the global development agenda and bring prosperity for all.

Thank you, Madam President.