



**DRAFT STATEMENT ON BEHALF OF THE GROUP OF 77 AND CHINA BY H.E. MINISTER DR. RIYAD MANSOUR (THE STATE OF PALESTINE), CHAIR OF THE GROUP OF 77, AT THE 2019 ECOSOC FORUM ON FINANCING FOR DEVELOPMENT FOLLOW-UP (NEW YORK, 15 April 2019)**

1. I have the honor to deliver this statement on behalf of the Group of 77 and China.
2. At the outset, allow me to thank the Presidency and Secretariat of ECOSOC for the preparation of this year's Forum on Financing for Development. Also, the Group would like to express its deep and sincere appreciation to the Permanent Representatives of Italy and Zambia, for their recognizable and tireless efforts in the preparing the text of the outcome document as well as facilitating the consultation process. Their experience and leadership contributed to reaching the intergovernmental agreement on the draft.
3. In the last month, the Group has engaged constructively throughout the negotiations over the draft text of agreed conclusions and recommendations with a view to reaching a consensus-based outcome document encompassing all action areas of the Addis Ababa Action Agenda.

Madam President,

4. Despite the progress made, many challenges continue to resurface, hindering global efforts in the implementation of the 2030 Agenda for Sustainable Development. The Group attaches great importance on correlating Financing for Development with eradicating poverty in all its forms and dimensions, including extreme poverty, which is the overarching goal of the 2030 Agenda and an indispensable requirement for sustainable development.
5. In this context, we reiterate that Financing for Development should focus on resource mobilization by channeling resources to poverty eradication in order to tackle one of the world's greatest challenges. Any resources to finance development must be aligned with national priorities and development strategies of the countries taking into consideration different realities and contexts, and the principle of common but differentiated responsibilities. In addition, every country has, and shall freely exercise, full permanent sovereignty over all its wealth, natural resources and economic activity.

6. We would like to stress our commitment to addressing developmental challenges faced by countries in special situations, in particular African countries, least developed countries, landlocked developing countries, and small-island developing States, as well as the specific challenges faced by middle-income countries, countries in transition to development that have recently exceeded the median income upper threshold, but still have structural gaps and vulnerabilities, countries in conflict and post-conflict situations and countries and peoples under foreign occupation, while respecting the permanent sovereignty and territorial integrity of member states.
7. While we seek to achieve 2030 agenda, we should pay attention to any measures that could hinder accomplishment of the agreed goals and their means of implementation. In this regard, we reaffirm that the imposition of coercive economic measures, including unilateral sanctions, against developing countries, does not contribute to economic and social development.

Madam President,

8. Official Development Assistance (ODA) is not only the main channel for international cooperation, it is also key and indispensable for achieving the SDGs and should be aligned with national priorities and development strategies of the recipient countries. In this regard, we reiterate our call that developed countries to fulfill their commitments they have made as to ODA by achieving UN target of 0.7 per cent of their gross national income.
9. The Group is concerned that the decrease of net Official Development Assistance of 0.1 per cent in real terms in 2017 from 2016, and notes that donor countries have shifted more ODA resources to funds for hosting and processing refugees within donor countries themselves in recent years. This shift in ODA resources towards humanitarian and crisis situations is not consistent with long-term and sustainable approach to financing development needed to achieve 2030 Agenda targets.
10. The Group recognizes that international trade, at all levels, plays a vital and dynamic role in enhancing cooperation and is an important source to finance development as it enables the fuller utilization of necessary resources through promoting mutual cooperation among different countries and regions, resulting in the stimulation of national, regional, and global economic growth. In this connection, the Group reaffirms the significance of the principle of special and differential treatment for developing countries in harnessing the developmental benefit of international trade.
11. The Group also recognizes that international trade strengthens the multilateral trading system, which relies on a universal, rule-based, open, transparent, inclusive, non-discriminatory multilateral trading system as embodied in the WTO, that can stimulate

development worldwide. In this connection, the Group remains alerted by the increase in the unilateral and protectionist measures that will not only undermine the multilateral trading system, but also will lead to negative impact on access of the developing countries' exports to the global markets.

12. The Group reiterates that international development cooperation, especially North-South cooperation, remains a fundamental catalyst to sustainable economic growth. The core of South-South cooperation is the technical cooperation and shared experience and knowledge among countries of the global South. The Group reiterates that South-South cooperation is a complement rather than a substitute for North-South cooperation.

Madam President,

13. Another important and relevant challenge that needs to be collectively addressed is the intensification of debt vulnerabilities across developing countries since 2017, risking a renewed cycle of debt crises and economic disruption, which pose severe challenges to the achievement of the SDGs.
14. Debt-related challenges and vulnerabilities have restricted many developing countries in generating and initiating the necessary resources needed for implementation of 2030 Agenda due to heavy debt burdens. As a result, the Group of 77 and China stress the need to explore the means and instruments required to achieve debt sustainability as well as the necessary measures to reduce the indebtedness of the developing countries.
15. The Group note in particular that tax-related offences continue to remain a significant barrier to domestic resource mobilization efforts in all parts of the world. We recognize with concern that there is still no single globally inclusive intergovernmental forum for international tax cooperation. In that regard, we reiterate the need to fully upgrade the Committee of Experts in Tax Matters to an intergovernmental body with experts representing their respective governments.
16. With the increasing emphasize on domestic resource mobilization, we are certain that effective taxation of large businesses, including multinational enterprises, can boost revenue, while contributing to perceptions of fairness in the tax systems, as well as reducing inequalities within and between States. In this regard, we encourage international initiatives that aim to ensure that multinational enterprises pay taxes where economic activity occurs and where value is created, in accordance with national and international laws and policies. To this end, we call for greater public availability of aggregate data on offshore financial assets and the taxation of Multinational enterprises to strengthen tax transparency.

Madam President,

17. It is counterproductive to highlight the importance of domestic resource mobilization in developing countries without addressing the international loopholes that impedes on their

ability to retain a large chunk of their resources. The Group seizes this opportunity to reiterate that illicit financial flows reduce the availability of resources for financing sustainable development and negatively impact the economic, social and political stability and development of societies, especially in developing countries. We stress that more and better data is needed for countries to assess the real impact of illicit financial flows and how to tackle it. We, therefore, call on all member states and corporate entities participating in this Forum to recommit to combatting illicit financial flows and to strengthen good practices on asset recovery and return to foster sustainable development in the affected countries

Madam President,

18. The direct involvement of the private sector, which was given a significant role in the 2030 Agenda, must be highlighted and included in ongoing and future discussions, in order to focus on challenges and opportunities for business in playing its role as a key developmental actor in all areas and dimensions of sustainable development. The participation of the private sector is critical to strengthening the economies in developing countries, therefore it must continue to contribute in mobilizing resources needed to finance sustainable development.
19. In respect to domestic and international private business and finance, aligning financial markets with sustainable development creates the appropriate environment and conditions for private resources to be adequately channeled towards long-term SDGs.
20. Last but not least, the Group stresses that technology transfer is one of the core priorities of the developing countries in implementing the 2030 Agenda, and reiterates the need to accelerate the transfer of technology on favorable terms including on concessional and preferential terms. The Group also reaffirms that addressing the constraints on technology transfer along with enhancing capacity building in science, technology and innovation is essential for the progress of the developing countries in implementing a wide range of SDGs.
21. The Group takes note with appreciation the IATF report on Financing for Development, which broadly covers the follow-up of all action areas which are reflected also in the agreed conclusions and recommendations. In order to facilitate the timely preparation of the draft conclusions and recommendations of the next year Forum, we emphasize the importance for the IATF Report to be issued as early as possible in February 2020.
22. The Group of 77 and China looks forward to a fruitful, constructive and open engagement with our partners throughout this forum with a view to reaching solutions to address the challenges we face.

I thank you.