

# Statement by H.E. Ms. Marie Chatardová, President of ECOSOC, at the 3<sup>rd</sup> Retreat of the Group of Friends of Monterrey

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*(Oaxaca, 19-20 March 2018)*

**It is an immense pleasure to participate in this 3<sup>rd</sup> Retreat of the Group of Friends of Monterrey. I would like to thank our hosts, the government of Mexico and the state of Oaxaca, for their generous invitation and warm welcome.**

**The retreats of the Group of Friends of Monterrey have quickly become a highly anticipated event in the annual ECOSOC calendar. Last year's event was pivotal in achieving a successful and substantive outcome at the 2017 FfD Forum. I am grateful to the leadership of Mexico, Switzerland, Germany, Bangladesh, Belarus, Cabo Verde, Chile, Czech Republic, Ethiopia, and Indonesia, who are co-hosting this year's retreat.**

**I am very pleased also to see the two co-facilitators for the preparation of the draft conclusions and recommendations of this year's FfD Forum, Ambassadors Rattray and Duarte Lopes. We are in very good hands, and I trust that our deliberations today and tomorrow will further facilitate their task in leading us to an ambitious and balanced outcome.**

**I also hope that such a positive outcome in the FfD Forum can set the stage for a productive spring and summer for the Economic and Social Council. We have much work ahead of us, with the Development Cooperation Forum, the Multi-stakeholder Forum on Science, Technology and Innovation and the High-level Political Forum following the April FfD Forum. I am very encouraged to see the report of the Inter-agency Task Force addressing**

**specific SDG financing challenges this year, and I hope we can build on this effort to ensure that our processes inform and support each other.**

**We are at an interesting moment in our discussions on development financing. There is reason to be optimistic, as a more positive growth outlook in the global economy facilitates increasing development financing flows. There is also momentum for SDG investment – we see it reflected in multiple initiatives by all stakeholders, including in the private sector, where many investors are making genuine efforts to align their actions with our global goals.**

**But we have to be cautious as well, and make use of this moment of economic recovery to address risks to implementation head-on.**

**The global growth upturn is underpinned by a revival in global investment activity. But investment is not sufficient to provide a major impetus to productivity growth. It also is not yet aligned enough with the SDGs. Too often, investors are short-term oriented, which leads them to either eschew long-term investments such as infrastructure investments, or to not price in long-term risks such as climate change. Indeed, as noted in the Inter-agency Task Force Report, since our historic agreements in 2015 private investment in infrastructure has declined.**

**There are initiatives and proposals in the report for changing incentive structures to better align investment with sustainable development – I believe that this is an area ripe with opportunity, and I hope that we will explore it in our discussions.**

**I would also like to highlight some risks that we need to consider. The relative calm in global financial markets and low interest rates have allowed many developing countries to unlock international financing. However, as financial conditions tighten, risks to their debt sustainability are on the rise.**

**This could constrain their ability to make vital SDG investments, and lead to renewed debt crises. All of us are challenged to work proactively to prevent such an outcome – which would provide a real setback toward achieving our global goals.**

**Multilateral cooperation is indeed more important than ever. As the international community, we must strive to meet the collective ambitions we have set ourselves in the 2030 Agenda, the Addis Ababa Action Agenda, and the Paris Agreement. This requires us all to redouble our national efforts. But it also requires us to work together, in a cooperative manner, toward a more prosperous and sustainable future for all.**

**It is encouraging to see that all aspects of development cooperation are strengthening. Official development assistance is increasing, and I applaud those donors that meet UN targets on aid. As a vital complement to traditional development cooperation, I also welcome the increase in scale and in scope of South-South Cooperation. Raising its visibility will further enhance its contributions to SDG implementation.**

**Let us make use of the Economic and Social Council and this year's FfD Forum to work toward strengthening our joint efforts. I look forward to our discussions at this retreat and trust that they will serve us well in achieving a good outcome at the FfD Forum and the HLPF.**