

Mr. Liu Zhenmin Under-Secretary-General for Economic and Social Affairs

3rd Retreat of the Group of Friends of Monterrey

19 March 2018, Oaxaca, Mexico

Your Excellency, Ambassador Garcia-Lopez, Executive Director of the Mexican Agency for International Development Cooperation,

Mr. Murat, Governor of the State of Oaxaca, Mexico,

Your Excellency Ambassador Chatardová, President of ECOSOC

Excellencies,

Ladies and Gentlemen,

Allow me first to thank our hosts, the Mexican Agency for International Development Cooperation, and its partners, Germany, Switzerland, Bangladesh, Belarus, Chile, Czech Republic, Ethiopia, Indonesia and Kenya, for inviting me to participate in this retreat. I thank the State of Oaxaca for hosting this meeting. On behalf of UNDESA, I would also like to thank all participants for your support to UN process on Financing for Development.

Mobilizing sufficient financing to implement the 2030 Agenda has become one of the most critical issues for the international community, and for the United Nations.

In the Addis Ababa Action Agenda, we have a broad yet concrete framework to guide our joint efforts to close the vast SDG financing gap. Follow-up to the Addis Conference is growing. The international community is looking for guidance and for signs of progress, but also for gaps we need to overcome to successfully implement the Addis Agenda and the Sustainable Development Goals.

That is why I am so grateful for the initiative of the Group of Friends of Monterrey. Your contribution – and last year’s retreat – was key to making the ECOSOC Forum on financing for development follow-up a success in 2017.

Let us build on this positive momentum. My Department and I will work with you to facilitate a successful process in all aspects of the preparations.

In early March DESA held a series of briefings on the Inter-Agency Task Force (IATF) report to Member States. Building on that, I want to highlight some of its key overarching findings.

Let me start with the positives.

In 2017, most types of development financing flows have increased, underpinned by a broad-based upturn in the world economy, increased investment, and supportive financial market conditions. This positive global economic outlook provides us with an opportunity to tackle long-standing challenges that constrain sustainable development financing.

Over the past decade, policy makers’ attention focused on dealing with the fall-out from the economic and financial crisis. Now we finally see signs of a sustained recovery.

Yet, there is no room for complacency.

Significant medium-term risks and structural impediments remain. A disorderly tightening of financial conditions could leave many countries exposed to debt risks. Persistent inequalities and insufficient alignment of investments with sustainable development still characterize the global environment. And, in line with global growth, carbon emissions have once again increased.

The report provides policy options across the Addis Agenda to address structural impediments to sustainable development financing, and to put the world on a more sustainable growth and development path.

Four overarching messages stand out.

First, integrated national sustainable development strategies and financing frameworks must inform policies, plans and project pipelines. To achieve our ambitious and transformative goals, we need to be guided by a long-term outlook, which in turn must inform today's investment decisions and plans. I am encouraged that this issue is on today's agenda.

Second, this long-term investment horizon needs to be embedded in incentives of all relevant actors – both public and private. Incentive structures across the financial system, as well as within public institutions, need to be fully aligned with the SDGs.

In this regard, I am pleased to report that DESA, in collaboration with partners, will host an SDG Investment Fair next month, on 22 April on the margin of the Third ECOSOC Forum on financing for development follow-up. The Fair will serve as an opportunity to showcase initiatives on scaling up investment in the SDGs. It will also promote policy dialogue on attracting SDG investment with a focus on energy, productive capacities, infrastructure and financial innovations.

Third, we need to mobilize public, private and blended financing for SDG investments. They all have a role to play. Specific project characteristics and country circumstances will determine which financing modality is best placed to realize an investment.

Fourth, public policies and actions are at the heart of the Agenda. Public leadership is indispensable to achieve the kind of deep-rooted structural change we are seeking.

Excellencies,

We have also emphasized three cross-cutting issues throughout all the chapters that we consider critical to the overall agenda: the potential of new technologies, gender equality, and a focus on leaving no one behind.

The thematic chapter, which focuses on addressing financing challenges for the SDGs under review at this year's High-level Political Forum, adds a sector-specific perspective. It considers financing for water, energy, cities, sustainable production and consumption and ecosystems. The analysis underlines how all the elements of the Addis framework – different financing sources, public policies and the international enabling environment – need to come together in the appropriate mix to enable sufficient SDG investments.

Each of the chapters on the action areas of the Addis Agenda then provides more specific and concrete policy options for your consideration.

As you know, the IATF is coordinated by DESA, and brings together expertise from throughout the UN system and beyond. The major institutional stakeholders – the IMF and the World Bank, WTO, UNCTAD and UNDP – all play a key role, and have contributed their data and analysis throughout the report. The Task Force has become a lively platform for inter-agency collaboration on financing for development issues. It is a leading example of how we, the United Nations, can work together and deliver as one.

Members of my team and the Task Force are also here to answer your questions, and to hear your voices in the parallel sessions. I thank you all for your contributions to the joint work and welcome additional guidance. We will try our best to incorporate your suggestions in the 2019 work cycle.

Excellencies,
Ladies and Gentlemen,

We are now well into the third year of implementing the 2030 Agenda for Sustainable Development. Next year, the High-level Political Forum will be held under the auspices of the General Assembly to complete the first round of review. By now, 65 countries have already undertaken Voluntary National Reviews in 2016 and 2017. 47 more are expected to present in July this year. However, we can't wait until then to find out where we stand and what we need to do.

As I have mentioned on several occasions since my arrival, there is a great sense of urgency. We must bear in the mind the needs of the most vulnerable and those most in need, such as LDCs, LLDCs and SIDs and take concrete, joint and immediate actions.

DESA, as the Secretariat Department supporting the implementation of the 2030 Agenda and the AAAA, will work with other UN entities, to better serve the Member States in this endeavour.

I count on your continued support and guidance.

Thank you.