

Opening Remarks by H.E Mr. Milos Koterec, President of the Economic and Social Council, at the Special High-Level Meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development

New York, 12 March 2012

Excellencies,
Mr. Secretary-General,
Distinguished Delegates,
Ladies and Gentlemen

I am pleased to welcome all of you to this Special High-Level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development.

I wish to extend my special welcome to the Secretary-General, and all Ministers, high-level representatives and senior officials from Member States, development, financial and trade institutions, as well as civil society and private sector participants.

This annual meeting of ECOSOC with the Bretton Woods institutions, the WTO and UNCTAD is an important forum to enhance coherence, coordination and cooperation in the context of the implementation of the Monterrey Consensus and the Doha Declaration on Financing for Development.

We are meeting at a time of uncertainty regarding the prospects for the global economy. The slow and hesitant recovery from the global financial and economic crisis has adversely impacted both developed and developing countries. Developing countries, in particular, have been affected by circumstances that were not of their making. Indeed, all over the world, it has been the poor and marginalized who have been the major casualties of the crisis and the subsequent prolonged sluggishness of the world economy.

Moreover, there is a range of concerns that may impede an upturn in international economic conditions. These include the fragile state of public finances in a number of developed

economies, continuing financial sector weaknesses, volatile food and energy prices and the challenges posed by climate change.

There is therefore an urgent need for an effective and coordinated policy response by Governments that serves to place the world economy on the path of sustained growth and development. Yet, achieving this objective is far from straightforward given deep-seated political and ideological differences about how to address the various short- and medium-term economic, social and environmental challenges facing us.

Under the overall theme of “Coherence, coordination and cooperation in the context of Financing for Development”, this meeting will be focusing on two topics:

- (1) Promoting sustained, inclusive and equitable economic growth, job creation, productive investment and trade; and
- (2) Financing of sustainable development.

The background note by the Secretary-General before you addresses these themes and contains pointed questions to stimulate our discussion. Let me make just a few substantive remarks on each of them.

The effective promotion of sustained, inclusive and equitable economic growth, job creation, productive investment and trade requires actions on a wide range of fronts, at both national and international levels. In the immediate period, there is a need for a coordinated economic stimulus, including measures to spur job creation. While fiscal consolidation is important in the medium-term, premature fiscal tightening should be avoided as it may serve to worsen economic and employment conditions.

However, for an economic upturn to be sustained, and have a significant impact on poverty reduction and employment generation, attention should be given to addressing a wider range of challenges. These include encouraging the establishment of modernized, equitable and effective tax systems; enhancing the access of the poor to basic financial and non-financial services; promoting private sector development; and facilitating productive investment in both physical and social infrastructure.

Efforts in these areas by developing countries would nevertheless require considerable support from the international

community. This would include ensuring the requisite levels of technical assistance and the fulfillment of commitments made by donors regarding official development assistance. Moreover, there remains the urgent need to address the external debt concerns of poorer countries and to move towards a more equitable and universal trading system.

Implementing these wide-ranging actions would require significantly enhanced coordination, cooperation and coherence among Governments and the wider UN system. This in turn necessitates having a stronger framework of global economic governance.

The financing of sustainable development, across its economic, social and environmental pillars, represents a key policy priority of the international community. However, considerable resources are needed for a transition to a green economy, which requires major structural and technological changes in a number of key sectors.

Financing this transition will be a challenge. A considerable part of the investments would need to be made by developing countries, which would require the mobilization of a large amount of resources. This would in turn necessitate assistance from the international community, including the transfer of new green technologies. At the same time, financing from both public and private sources would need to be significantly scaled up. In this regard, we need to explore ways that the public and private sector could work together to mobilize resources for sustainable development.

For instance, there is considerable scope for governments and multilateral institutions to leverage private finance through mitigating the risks facing private investors or undertaking capacity building in critical areas.

Indeed, the private sector would be expected to provide a significant share of the resources needed to move to a green economy. However, there is a need to provide stronger incentives for private sector involvement in sustainable development activities. This may be achieved through a combination of policy measures, including taxation and regulation at various levels. Consideration should also be given to other ways of raising finance

through the private sector, including through green investments, microfinance and other forms of financing such as, for example, a financial transactions tax.

While putting in place measures to scale up financing for sustainable development, it is equally important to give thought to streamlining and consolidating the global climate finance architecture. The current architecture is complex and the proliferation of financing mechanisms, involving both multilateral and bilateral channels for private and public funds, increases the challenges of coordinating and accessing finance.

Ladies and gentlemen,

The international community is faced with a wide range of interrelated economic, social and environmental challenges. In fact, these challenges can only be addressed through collective and coordinated action. Such coordination requires an institutional architecture that is geared towards integrating the three pillars and making sustainable development a centre piece of national and global policies. I believe and I am sure that is a widely shared belief that ECOSOC system has the pivotal place in the institutional architecture for sustainable development.

This meeting is a testimony to the fact that ECOSOC can bring together a broad range of actors and generate ideas that can shape global action. I urge you all to use this meeting for tackling a number of the key issues in a holistic and integrated manner.

Our discussions here should aim to provide momentum towards arriving at agreements in the major UN conferences on development issues this year, including the Thirteenth session of the United Nations Conference on Trade and Development (UNCTAD XIII) and the UN Conference on Sustainable Development (Rio+20).

Thank you very much.