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Held at Headquarters, New York, on Monday, 26 October 2015, at 3 p.m.

Chair: Mr. Logar .... (Slovenia)
later: Mr. Krapp (Vice-Chair) .... (Germany)

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15-18626 (E)

The meeting was called to order at 3.05 p.m.

Agenda item 64: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (*continued*) (A/70/82-E/2015/13)

1. **Mr. Ahmad Al-Kuwari** (Qatar), speaking in exercise of the right of reply, said that the allegations made against his country by the representative of Israel at the previous meeting had been baseless. By contrast, in his own statement he had relied on documented facts from United Nations reports. Israel, the occupying Power, was trying to divert attention from its illegal and immoral policies, its violations of the Al-Aqsa mosque compound and the actions of its extremist settlers. That approach would only incite more violence and block the path to peace. His delegation categorically rejected the accusations made against his country and reiterated its condemnation of terrorism in all its forms, which included the Israeli occupation.

2. **Mr. Sedigh Mostahkam** (Islamic Republic of Iran), speaking in exercise of the right of reply, said that at the previous meeting, the delegation of the Israeli regime had pursued its usual tactic of attacking his country to divert attention from its own atrocities. Israel was using Iranophobia and Islamophobia as smokescreens to conceal its goal of keeping Palestinian land under occupation. In contrast to Israel's apartheid regime, the political system of the Islamic Republic of Iran was based on respect for the rights of all citizens. The Israeli occupation was not only at the heart of the Palestinian question, but was responsible for the lion's share of tension and conflict in the Middle East region, which would not rest until Israel ended its criminal behaviour.

3. **Mr. Mounzer** (Syrian Arab Republic), speaking in exercise of the right of reply, said that the hypocrisy exhibited by the delegation of the occupation regime at the previous meeting had hardly been surprising. That regime perpetrated terrorism against the Arab populations of occupied Palestine and Syria, who continued to see their rights ignored, their homes destroyed, their land confiscated and their Muslim and Christian holy places violated. Countless United Nations reports had shown how Israel, the occupying Power, was ignoring the many resolutions calling for it to cease its occupation. Evidently, the representative of Israel had not been following his own media, which had recently featured interviews with terrorists from Islamic State in Iraq and the Levant (ISIL) and the Nusrah Front, who were receiving medical treatment in Israeli hospitals. Anyone who subscribed to a culture of murder, terrorism, aggression, colonialism and occupation had no place in an Organization committed to peace, justice and development for all peoples.

4. **Mr. Amer** (Israel), speaking in exercise of the right of reply, said that while the representative of Syria might have been following Israeli media, he himself had been following Syrian media, from which it appeared that the conspiracy against Syria included not only the entire Earth but possibly also the planet Mars. Israel was merely providing medical care in its hospitals to whoever needed it, including citizens of Syria. If the representative of Qatar wanted to hear documented facts, he should be reminded of the 1,200 foreign workers who had died in Qatar building stadiums for the 2022 World Cup. As for the representative of Iran, he had not even bothered to respond to the question posed to him. Israel was committed to the status quo in the Al-Aqsa mosque compound and would continue its efforts to restore calm.

5. **Mr. Shawesh** (Observer for the State of Palestine), speaking in exercise of the right of reply, said that however much the occupation regime might complain about supposed lies in United Nations reports, the biggest lies had come from the Permanent Representative of Israel himself, who, at a recent press conference, had repeated the false allegation that the Palestinian school curriculum incited violence against Jews. He had even gone so far as to display an instructional diagram, which he claimed had appeared in a Palestinian textbook, on how to stab a Jew. That was typical of the sick and hateful rhetoric that the Permanent Representative of Israel had used to advance his standing with his settler constituency in Israeli politics. The curriculum in question had been developed by the European Union and approved by the United Nations Educational, Scientific and Cultural Organization, and was being used by the United Nations Relief and Works Agency for Palestine Refugees in the Near Eastin its schools. It had even been found to be free of incitement by studies funded by the United States Congress.

6. In fact, Palestinians were proud that Jews had long been part of the Palestinian Arab social fabric. The representative of Israel had evidently forgotten

that a prominent rabbi had served as a Palestinian minister, that the High Priest of the Samaritan Jewish community had been a member of the Palestinian Legislative Council, that the representative of Palestine in the Socialist International had been a Jew, and that no fewer than two Jews had been members of the Revolutionary Council of the Palestine Liberation Organization. By the same token, his delegation condemned any Muslims or Arabs who supported the occupation, including the commander of Israel's Golani brigade during the war against Gaza, who was a Druze and whom his Government hoped to see brought to justice as a war criminal. His delegation did not have a problem with Jews, but with the occupation.

7. **Mr. Mounzer** (Syrian Arab Republic), speaking in exercise of the right of reply, said that what the representative of Israel had just admitted about hospitals in his country treating terrorists merely provided more proof of the conspiracy against the Syrian Arab Republic. No amount of lying propaganda could conceal the true nature of the occupation, which violated the land, resources and rights of the rightful inhabitants on a daily basis while encircling them with settlers. As long as Israel failed to comply with international resolutions calling for its immediate withdrawal from the occupied Syrian Golan and the other occupied Arab territories, the representative of Israel would need to be reminded that sustainable development was not compatible with occupation.

8. **Mr. Ahmad Al-Kuwari** (Qatar), speaking in exercise of the right of reply, said that the false accusations levelled against his country by the delegation of Israel had demonstrated yet again that delegation's utter lack of credibility. Israel had no business speaking about rights when it was depriving Palestinians of their most basic rights, including the right to life itself. He stressed that Qatar spared no effort in providing workers with proper care and working conditions.

The meeting was suspended at 3.25 p.m. and resumed at 3.30 p.m.

9. *Mr. Krapp (Germany), Vice-Chair, took the Chair.*

Agenda item 18: Macroeconomic policy questions (A/70/410; A/C.2/70/2)

(a) International trade and development (A/70/15 (Part I), A/70/15 (Part II), A/70/15 (Part III) A/70/152 and A/70/277; A/C.2/70/3)

(b) International financial system and development (A/70/311)

(c) External debt sustainability and development (A/70/278)

(d) Commodities (A/70/184)

Agenda item 19: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (A/70/320 and A/70/85-E/2015/77)

10. **Mr. Suescum** (Permanent Representative of Panama to the World Trade Organization (WTO) and Vice-Chair of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD)), introduced the reports of the Trade and Development Board (A/70/15, Parts I, II and III) on behalf of the President of the Board, Ambassador D'Alotto of Argentina.

11. **Mr. Valles** (Director of the Division on International Trade in Goods and Services and Commodities, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary General on international trade and development (A/70/277) and the report of the Secretary-General on world commodity trends and prospects (A/70/184), said that a transformative agenda such as the 2030 Agenda for Sustainable Development could be catalysed through trade and related policies in several areas.

12. One such area was the greening of the economy in response to both domestic and foreign demand for environment-friendly goods and services. Even in the area of trade and climate change, there were new opportunities that could be harnessed to promote trade in climate-friendly goods, ensure environmental sustainability and preserve biodiversity. The involvement of small and marginalized communities, including women and youth, also helped to enhance livelihoods for the poor sustainably.

13. Creative goods and services were another area of the transformative agenda. The global value of creative industries was estimated at $1.3 million in 2005, with

an annual compound growth rate of 7 per cent. The potential of the creative economy was increasingly recognized and embraced by a growing number of cities and countries.

14. **Mr. Trepelkov** (Director of the Financing for Development Office, Department of Economic and Social Affairs) introduced the report of the Secretary-General on the international financial system and development (A/70/311) and the report of the Secretary-General on the outcome of the third International Conference on Financing for Development (A/70/320).

15. **Mr. Zivkovic** (Representative of the Division on Globalization and Development Strategies, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on external debt sustainability and development (A/70/278), said that the report concentrated on overall debt trends during the previous year, debt initiatives, official development assistance (ODA) trends, challenges to debt sustainability in the coming period and countries' debt management capabilities.

16. Debt had increased over the previous year. Most sovereign debt was composed of long-term debt, although there had been an increase in the stock of short-term debt. Interest rates were expected to rise in the near term, with possible negative consequences for developing countries.

17. The external debt structure of developing countries had changed substantially in the past 30 years. The relative importance of official bilateral lending had decreased, and the importance of private creditors had increased. Unfortunately, mechanisms to restructure private debt effectively and efficiently were not completely in place.

18. Although the current system for restructuring official bilateral debt had been working, the restructuring of private debt had been less successful. Moreover, there were holdout creditors who did not participate in global bond restructurings. Instead, they used their holdout position to sue, which further delayed restructuring and destabilized the finances of some of the countries involved. Holdout creditors had won in the Democratic Republic of the Congo and Zambia, for example, resulting in diminished financing of the social sector in those countries. Gains achieved under the Heavily Indebted Poor Countries (HIPC) Initiative had been reversed.

19. One challenge had been a significant build-up of private debt in developing countries, some of it unhedged. While the precise amounts linked to future commodity revenues were not known, the recent decrease in commodities might lead to difficulties with the private sector in developing countries that had borrowed heavily in US dollars against future revenues in commodities. The increased value of the dollar in recent months and the continued slide in commodity prices could cause problems. Private debt involving large institutions in developing countries could quickly become sovereign, with a serious impact on debt sustainability in some developing countries.

20. Historically low interest rates had prevailed since the financial crisis, but that period was probably coming to an end. The United States Federal Reserve had indicated that it would soon start raising rates, which could have a very destabilizing effect on developing countries. The International Monetary Fund had urged the Federal Reserve to delay the rate increase.

21. During the past few years, newcomers to international bond markets had included some former heavily indebted poor countries. Many of those countries had issued bonds in the hope that commodity prices would remain firm. Their debt sustainability would now be under close scrutiny.

22. The impact of climate change on debt required further study. The frequency of climate events and their impact on debt sustainability had been rising steadily for three or four decades. Climate adaptation and the related issue of financial instruments for developing countries to protect themselves from such events were also matters of interest.

23. UNCTAD was the leading provider of debt management software for data collection and debt sustainability analysis. Its software was used in over 80 countries. Owing to the changing nature of financial markets, technical assistance to developing countries should continue and be strengthened so that those countries could respond to operational and financial risks in the current international environment. Commodity-linked bonds should be more widespread, as they contained inherent risk management capabilities.

24. **Mr. Kim** (Economic Affairs Officer, Committee for Development Policy Secretariat) introduced the report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/70/152).

25. **Mr. Nyembe** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group recognized the importance of the international trade system, which should address the needs of developing countries, including special and differential treatment for developing countries in line with the Addis Ababa Action Agenda and the 2030 Agenda.

26. In order to harness the full potential of trade, there was an urgent need to eliminate trade barriers, unilateral trade actions, trade-distorting export subsidies and all other such measures, particularly in sectors of special export interest to developing countries such as agriculture. Duty-free and quota-free market access could generate significant resources to finance the development of least developed countries. Both tariff and non-tariff barriers were major challenges for developing countries, especially the least developed ones. The Group therefore called for the timely implementation of duty-free and quota-free market access to developed countries and to developing countries in a position to provide such access, on a lasting basis, for all products from all of the least developed countries. It also called for simple, transparent rules of origin applicable to imports from least developed countries, in accordance with the guidelines adopted at the Ninth WTO Ministerial Conference held in Bali in 2013.

27. There should be a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable trading system that encouraged long-term investment in productive capacities and contributed to sustainable development, inclusive growth and job creation, especially for developing countries. In that regard, the policy space for developing countries needed to be respected. Furthermore, they must have increased participation in formulating their respective development strategies and in expressing their national interests and differing needs. Those areas should not be curtailed by global rules and disciplines inherent in the process of integrating into the global economy.

28. WTO, as the only rules-based multilateral trading organization that governed the conduct of international trade flows in the context of implementing both the Addis Ababa Action Agenda and the 2030 Agenda, had become more relevant than ever. Accordingly, the need for harmonized WTO norms and standards was even more crucial, to ensure the effectiveness and relevance of that organization in benefiting all countries, especially developing ones.

29. Addressing WTO reform was a prerequisite for all other changes in the multilateral trading system. With the adoption of the Addis Ababa Action Agenda and the 2030 Agenda, the Doha Development Round must now be swiftly concluded: concrete outcomes in agriculture and increased market access and aid for trade would enable developing countries to take advantage of the opportunities offered by the international trading system. Accession to WTO for developing countries should be facilitated, and their micro, small and medium enterprises integrated into global value chains. Capacity-building and technical assistance should also be strengthened for least developed countries acceding to WTO, in order to facilitate that process.

30. The Tenth WTO Ministerial Conference, to be held in Nairobi at the end of 2015, should address not only those matters but also longstanding systemic issues that included, inter alia: market access for developing countries; trade barriers and trade-distorting subsidies in developed countries; restricted access to trade finance; and reduced investment in production diversification and in the promotion of exports. Given that developing countries represented two thirds of the WTO membership, the promotion of a more development-friendly multilateral trading system was critical to ensure that trade opportunities were made available on an equitable basis and that new trade rules did not subvert the development financing prospects of developing countries.

31. The Group had always stressed the importance of debt relief, including debt cancellation and debt restructuring, to achieve sustainable development. Debt restructuring processes should have as their core element a determination of real payment capacity, so that they did not compromise national growth prospects.

32. Many countries, including developing countries, remained vulnerable to debt crises, and some were in fact in the midst of crises. In that regard, there was an urgent need to address the debt sustainability

challenges facing many least developed countries and small island developing States and to ensure debt sustainability for countries graduating from least developed country status.

33. The Group welcomed the work of the Ad Hoc Committee on Sovereign Debt Restructuring Processes, which had led to the adoption of General Assembly resolution 69/319 concerning basic principles on sovereign debt restructuring processes. The international community must cooperate constructively and work with the United Nations and the international financial institutions to enhance transparency, supervision, regulation and good governance of the international financial system. It was important to promote international stability and examine options for debt restructuring and international debt resolution mechanisms that were effective, equitable, durable, independent and development-oriented.

34. Recent trends in commodity prices had indicated excessive price volatility in global markets, with adverse effects for developing countries. Factors that contributed to high commodity price volatility included traditional supply and demand factors, such as the weather, demographic changes and changes in consumption patterns in emerging economies. Many commodity-dependent developing countries and economies in transition remained highly vulnerable to commodity price fluctuations. Continued efforts were therefore needed to improve the regulation, efficiency, responsiveness, functioning and transparency of commodity markets nationally, regionally and internationally.

35. The Group was concerned that macroeconomic policies, such as the depreciation of currencies in major economies, had contributed to excessive commodity price volatility. Low interest rates and loose monetary policies adopted by major central banks also played a role in exacerbating price volatility. Accordingly, countries must refrain from trade-distorting policies that could fuel speculative practices, hoarding and panic buying, which also increased volatility in the commodity markets.

36. The general debate on macroeconomic policy questions provided Member States with a unique opportunity to call for real and transformative changes to the way global development challenges were addressed. Structural changes were urgently needed in order to create an enabling international environment for development. A more development-friendly multilateral trading system was needed, with a strengthening of the international financial architecture. Moreover, developing countries must be equitably represented in leadership positions and in decision-making and norm-setting at international financial institutions.

37. **Mr. Ibrahim** (Malaysia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that world trade volume was expected to expand in 2015 by a mere 3.8 per cent, reflecting the slow pace of the global economy. With the major economies facing the risk of”secular stagnation” and China’s economic slowdown increasingly confirmed, weak global demand would continue to weigh on trade prospects. However, the economies of the ASEAN countries had remained relatively resilient in the midst of global uncertainties. Since the adoption of the ASEAN Economic Community Blueprint in 2007, efforts to establish the ASEAN Economic Community had contributed to stronger confidence in the region and to economic performance.

38. The region’s collective gross domestic product (GDP) had passed the $2.57 trillion mark in 2014, with a near doubling of average per capita GDP between 2007 and 2014. The strong GDP was due in part to strong growth of ASEAN exports, which had risen by more than 50 per cent since 2007, reaching $1.3 trillion in 2014. ASEAN exports to China stood at $150.4 billion, or 11.6 per cent of the total, making China the top destination for ASEAN exports since 2011. Intra-ASEAN exports remained resilient at 25.5 per cent of total ASEAN exports, placing ASEAN collectively above other individual trading partners. ASEAN growth was expected to reach 4.6 per cent in 2015 and 5.1 per cent in 2016.

39. Preliminary ASEAN statistics indicated that total foreign direct investment (FDI) to the region in 2014, at $136.2 billion, would be the highest to date, indicating that ASEAN had outperformed other regions in that regard. The European Union remained the top source of FDI to the region, accounting for 21.5 per cent of the total FDI to the region. Intra-ASEAN FDI also continued to grow and accounted for an increasing share of total FDI inflows to the region, having reached 17.9 per cent or $24.4 billion in 2014. ASEAN economic integration was stimulating investment in the region.

40. Notwithstanding the relatively robust economic performance of ASEAN, the region was not immune from external dynamics and shocks caused by lower growth in developed countries and heightened volatilities in the global financial and exchange markets. ASEAN reaffirmed its commitment to continuing the integration process and building on the region's strengths and potential to achieve a high-growth, sustainable and resilient economic community.

41. Global commodity markets were weakening from the peaks recorded in 2011. For many commodity markets, including ASEAN, general downward pressure was also combined with short-term fluctuations, which had significant impacts on the economies of commodity-dependent developing countries.

42. Moreover, ASEAN had endured drought conditions in recent months that stunted agricultural output. Declining prices in agricultural and food commodity markets were eroding farmers' profit margins. Appropriate policies were needed to allow farmers to increase productivity, so that they would remain competitive in global, regional and national markets. Addressing the constraints on farmers in developing countries should be seen as a way of solving societal problems, particularly poverty and inequality.

43. The year 2015 was a key milestone in the ASEAN community-building process. Despite challenges, ASEAN remained firmly resolved to establish the ASEAN Economic Community at the end of the current year and was committed to further integration under the post-2015 agenda of the ASEAN Economic Community. Implementation of the Economic Community was 91.5 per cent complete. ASEAN was committed to expediting implementation of the pending measures, with efforts continuing towards full implementation by the end of 2016.

44. Following the economic and financial crisis, ASEAN had highlighted the need to strengthen multilateral economic surveillance, particularly in the international banking and financial sectors. Currently, ASEAN stressed the importance of promoting fiscal soundness for sustainable economic development and it continued to accelerate and deepen economic structural reforms, promote domestic demand and employment, resist protectionism and further promote trade and investment. ASEAN Economic Ministers had met in August 2015 to review progress on deepening integration between and among all ASEAN member States, particularly with regard to trade in goods, services and investment. Their annual consultations had also been convened with counterparts from the ASEAN dialogue partners, to further strengthen partnerships and promote the full integration of ASEAN into the global economy. Accordingly, the breakthroughs achieved at the ministerial meeting of the Regional Comprehensive Economic Partnership in August 2015 were encouraging.

45. ASEAN was deeply concerned over the fragility of the global economic and financial situations. The current global downturn could further aggravate poverty and threaten implementation of the Addis Ababa Action Agenda and the 2030 Agenda. ODA remained the main source of international financing for development for many developing countries, especially the least developed countries, landlocked developing countries and small island developing States. The current world economic situation made it all the more necessary for developed countries to fulfil their ODA commitment to developing countries and provide genuine debt relief to least developed countries. Some developing countries were becoming more vulnerable to new external debt problems, leading to much slower poverty eradication. Addressing developing countries' external debt problems was thus an important part of international cooperation and the enhanced global partnership for development.

46. The United Nations was uniquely positioned to strengthen international cooperation and promote development in the context of globalization. The integration of developing countries into the global economy would enable them to take full advantage of their potential growth and development. The United Nations must therefore play a fundamental role in promoting and strengthening international cooperation, coherence, coordination and implementation of the internationally agreed development goals.

47. **Mr. Rattray** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that trade helped to create the conditions necessary for growth. For Caribbean small island developing States, trade could provide the means to overcome the constraints posed by small domestic markets and facilitate the possibility of access to larger external markets, as well as skills, technology and capital. That would, in turn, enable better use of productive resources to catalyse

structural transformation. Development goals such as poverty eradication, gender equality and environmental sustainability could be supported by trade and thus promote economic growth and job creation, ultimately enabling the efficient use of resources and higher standards of living.

48. However, the linkage between trade, economic growth and development was not automatic. International trade was no longer a significant driver of economic growth, as had been the case during the 1990s and the early 2000s. During that pre-crisis period, trade had grown twice as fast as the overall economy. However, since then, trade had only increased on par with GDP, a far cry from the previous period of"hyperglobalization". The year 2015 was on track to become the fourth consecutive year during which global trade volume would increase at or below the rate of the overall world economy. Despite average annual export growth of over 10 per cent in 63 developing countries, 4 developing countries had recorded export contractions, and 68 had experienced persistent trade deficits. The disparity was also reflected in the level of participation in global trade. Commodity-dependent economies remained particularly vulnerable to sudden shifts in terms of trade. The International Monetary Fund had reduced growth forecasts for emerging markets, related to falling commodity prices and reduced imports, as a result of China's deceleration and slowdown in demand. Such uneven trade performance was a reminder that inequality among and within countries was a persistent development challenge requiring immediate policy attention.

49. CARICOM had always maintained that a universal, rules-based, open, non-discriminatory and equitable multilateral trading system would facilitate the attainment of the Sustainable Development Goals and, by extension, lift societies out of poverty and need. A key part of the work while implementing the new development paradigm would be to address fully the unique vulnerabilities of small island developing States and the persistent economic and social challenges of countries in special situations, such as middle-income countries. That must include the adoption of approaches to measuring development that reflected countries' realities. The conclusion of the Doha Development Round was critical to that pursuit, and development partners were urged to approach the Tenth WTO Ministerial Conference, to be held in Nairobi in late 2015, with the determination to conclude the negotiations once and for all.

50. Greater coherence in global economic policymaking was needed, as was global trade governance consistent with the Sustainable Development Goals and a revitalized multilateral trading system with improved credibility and relevance. That could be achieved through a fair, equitable and open trading environment, coherence between multilateral and regional agreements and the creation of policy space in which countries could implement proactive economic, social and environmental policies. Provisions for special and differential treatment must be maintained, so that trade could contribute to broad-based development and reduce inequalities among and within economies.

51. In discussions on the trade and development nexus, it was necessary to be mindful of the serious challenges that Caribbean small island developing States faced in financing their development, particularly the issue of external debt sustainability. Those States faced a shortage of investible resources; limited fiscal capacity; decreasing access to FDI and ODA; and in some cases unsustainable levels of public debt. Debt servicing absorbed significant proportions of fiscal revenues, compounding the difficulties of financing long-term development and the delivery of social services. In the absence of support, Caribbean small island developing States were not in a position to meet expanded investment requirements for economic transformation, climate change adaptation and mitigation, and economic and social infrastructure expansion. Aid for trade was important in assisting countries such as Jamaica to meet their trade and development objectives.

52. The resources to meet the Sustainable Development Goals were thankfully not beyond the capacities of people and countries to deliver. The report of the Intergovernmental Committee of Experts on Sustainable Development Financing had also clearly conveyed the same message. Countries had a responsibility to create an enabling environment for long-term financing and investment by the private sector. To that end, domestic policies should promote macroeconomic and financial stability and further develop credit information institutions, capital markets and a competition policy geared towards ensuring market contestability.

53. Henceforth, important follow-up actions included establishing the global infrastructure forum and the Technology Facilitation Mechanism, scaling up international tax cooperation, enhancing support for debt sustainability and devising methodologies that accounted for the complex and diverse realities of middle-income countries. While those new initiatives were being pursued, the specific needs and circumstances of CARICOM members must be taken into consideration.

54. **Mr. Momen** (Bangladesh), speaking on behalf of the least developed countries, said that in 1971, the least developed countries' share in global trade had been close to 1 per cent. The number of least developed countries had doubled since then, yet their share in international trade still hovered at around 1 per cent. In all the programmes of action for the least developed countries, as well as in declarations adopted outside the United Nations, States had always pledged to assist least developed countries to achieve a stronger foothold in international trade. However, they still lagged seriously behind.

55. All products from all least developed countries needed duty-free, quota-free market access to all of the developed countries and to the developing countries that could provide such access.

56. Transparent and simple preferential rules of origin were also important for imports from the least developed countries, as they would facilitate market access. As highlighted in the 2030 Agenda, the international community must work together to double the share of global exports from least developed countries by 2020. The international community should increase the share of aid for trade for the least developed countries, including through the Enhanced Integrated Framework for trade-related assistance for the least developed countries. To ensure that least developed countries could effectively engage in international trade, 50 per cent of aid for trade should be allocated to least developed countries, and least developed countries should receive technical assistance and capacity-building support in the area of trade, including through trade facilitation and assistance in the WTO accession process.

57. ODA to least developed countries had fallen in recent years, with preliminary data for 2014 indicating a continued fall in bilateral ODA. The developed countries must urgently fulfil their ODA commitments to the least developed countries. At the third International Conference on Financing for Development, developed countries had been encouraged to increase their ODA to the least developed countries to 0.2 per cent of gross national income (GNI).

58. Least developed countries continued to suffer from heavy debt and volatile debt scenarios. Almost half of them had double-digit current account deficits, and the figure had worsened from the previous year. Several of the least developed countries were also heavily indebted poor countries requiring the assistance of the international community. Their external debt must be urgently addressed by ensuring debt sustainability, including through the cancellation of multilateral and bilateral debts owed by least developed countries and through the provision of concessional funding, including grants. Least developed countries were victims of financial recessions in the developed countries, though they had done nothing to bring on the situation. It was therefore important to have a resilience fund for least developed countries to help them absorb external financial shocks sustainably. Least developed countries were not represented at the decision-making platforms of the international financial institutions, and they ought to be.

59. Several least developed countries were heavily dependent on particular commodities as their major export items, and volatility in the commodities market severely affected their development plans. The global commodities market must therefore be stabilized, and least developed countries needed the support of the international community to enter the global commodities market stably and sustainably. At the same time, the export baskets and export destinations of least developed countries must be more diversified.

60. Lastly, he welcomed that fact that, for the first time, a least developed country had hosted the International Conference on Financing for Development. The eradication of poverty in all least developed countries would be supported by the full implementation of its outcome, the Addis Ababa Action Agenda.

61. **Mr. Sareer** (Maldives), speaking on behalf of the Alliance of Small Island States (AOSIS), said that effective linkages were needed between the programmes of action for countries in special situations, such as the Small Island Developing States (SIDS) Accelerated Modalities of Action (SAMOA)

Pathway, on the one hand, and the 2030 Agenda and the Addis Ababa Action Agenda, on the other.

62. AOSIS welcomed the fact that the special case of small island developing States had been recognized and reaffirmed. While all developing countries faced challenges, small island developing States had additional burdens. Their economies were small and often based on a single industry. Their populations were also small, meaning that they had limited capacity to mobilize domestic resources. In addition, their communities were dispersed across large expanses of oceans, they were far from markets and had limited natural resources, all of which significantly increased the cost of delivering essential services to their populations. Moreover, small island developing States were highly susceptible to natural disasters and their climate change adaptation costs were among the highest in the world relative to national output.

63. ODA to small island developing States had declined sharply in the previous decade. According to recent World Bank statistics, those States received just 5.7 per cent of ODA. Despite considerable efforts, their progress in attaining sustainable development priorities, including the Millennium Development Goals, had been uneven, and some had regressed economically.

64. Small island developing States continued to be impacted by distorted development measures that failed to take their particularities into account. The international community must abandon the one-size-fits-all approach to measuring development and devise measures that better reflected countries' vulnerabilities and their resilience to shocks. Many of the small island developing States were middle-income countries, which paradoxically made them ineligible for concessional finance and thus a low priority for donors. High levels of public debt remained a key challenge for many small island developing States, and high-risk ratings constrained them from borrowing at competitive rates. Those issues must be addressed to achieve sustainable development.

65. Sustainable solutions to global poverty must address climate change. The Addis Ababa Action Agenda reflected the additional burden on developing countries from combating climate change and the need to step up investments to address the impacts of climate change.

66. AOSIS was encouraged by the further substantial commitments made relating to oceans, illegal fisheries, clean energy, information and communications technologies for development and disaster risk reduction. However, since proper follow-up and review mechanisms were essential, the separate follow-up and review mechanism under the Addis Ababa Action Agenda was most welcome.

67. **Ms. Kasese-Bota** (Zambia), speaking on behalf of the landlocked developing countries, said that those countries must overcome such challenges as long distances to the sea and a lack of trade facilitating infrastructure and appropriate technology, all of which raised the cost of doing business.

68. The report of the Secretary-General on international trade and development (A/70/277) offered a sobering message to developing countries, especially those in special situations, showing that global economic activity, including international trade, remained subdued. That situation had a negative impact on landlocked developing countries, as a majority of them relied on commodity exports. Declining global commodity prices further compounded the problem. The landlocked developing countries therefore called for the urgent and full implementation of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 and urged development partners to provide increased support, including market access, capacity-building assistance and aid for trade. The provision of technical assistance and improved trade- and transit-related logistics were crucial for landlocked developing countries to participate fully in and benefit from multilateral trade.

69. The landlocked developing countries welcomed the inclusion of trade in Goal 17 of the Sustainable Development Goals as a key component for strengthening the means of implementation.

70. The global community must support a special work programme for landlocked developing countries within the framework of WTO, with a focus on special market access that allowed their products and services into the global value chain. Particular attention should be given to trade facilitation, trade diversification, services, aid for trade, e-commerce and WTO accession.

71. WTO members must expeditiously ratify the Agreement on Trade Facilitation, which had great potential to benefit landlocked developing countries.

72. Developing countries needed assistance in attaining long-term debt sustainability through coordinated policies aimed at promoting debt financing, relief and management. Particular attention should go towards strengthening assistance to least developed countries, other countries vulnerable to debt crises and those experiencing crises. It was also necessary to counter the unsustainable impact and burden that vulture funds imposed on development efforts.

73. Lastly, there must be an appropriate focus on the needs of the landlocked developing countries within the Technology Facilitation Mechanism, to promote coordination, coherence and cooperation on science, technology, innovation and related matters.

74. **Mr. Scherbakov** (Ecuador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that macroeconomic policy issues were a core part of the work of the Second Committee and an area where the central role of the General Assembly should be strengthened.

75. Developing countries had long aspired to promote an enabling equitable environment for growth and development at the international level and close the large gap between them and the developed countries. Disparities had shrunk slightly for many countries in the South, but much still remained to be done. Structural changes must continue in order to strengthen the international financial architecture and ensure fair and equitable representation within the international financial institutions.

76. Developed countries should honour their ODA commitments. It was time to conclude the Doha Round, which should serve as the core of an open, non-discriminatory and rules-based multilateral trading system that included, inter alia: the elimination of all forms of subsidies and measures with equivalent effect; access to technology on concessional and preferential terms; and an end to the imposition of unilateral coercive measures.

77. The international financial architecture must be further strengthened to promote financial stability and adequate financial flows to developing countries from all sources, including FDI.

78. The importance of debt relief, including debt cancellation and restructuring, must be recognized. Debt restructuring processes should have at their core a determination of real payment capacity, so that they did not compromise national growth prospects. The international community must urgently cooperate with the United Nations and the international financial institutions on discussions to enhance transparency, supervision, regulation and good governance of the international financial system, with a view to promoting international stability. At the same time, the international community must examine options for an effective, equitable, durable, independent and development-oriented debt restructuring and international debt resolution mechanism.

79. CELAC strongly supported reinvigoration of the global partnership for development, with all countries contributing within their capacities and the resources allocated, including through the provision of financial resources and technology and knowledge transfers as part of North-South, South-South and triangular cooperation. In that context, a people centred, human rights-based approach must be adopted for the effective implementation of relevant agreements.

80. The new development framework must also be global in nature, universally applicable and relevant to all countries in addressing the challenges of sustainable development, while taking into account different national realities, capacities and levels of development and while also respecting national policies and priorities.

81. A piecemeal approach to diagnosing and reducing poverty, or the prioritizing of certain dimensions of development to the exclusion of others, distorted the real situation of middle-income countries. CELAC continued to advocate for the establishment of a comprehensive action plan for cooperation with middle-income countries.

82. Without urgent, profound and comprehensive action on macroeconomic issues, it would not be possible to overcome the most pressing modern-day challenges, namely, poverty, hunger, inequality and the marginalization of so many people worldwide, including in the CELAC region. If countries stood alone or in small groups, the necessary transformations would not be possible.

83. **Mr. Sarufa** (Papua New Guinea), speaking on behalf of the Pacific small island developing States,

said that it had been consistently underscored that small island developing States represented a special case for sustainable development. That extended to their financing needs. Their small size, remoteness and limited resource bases had important implications for the financing of sustainable development. The special attention to their needs in a number of paragraphs in the Addis Ababa Action Agenda was therefore welcome, as was the call in the Action Agenda to support implementation of the Samoa Pathway. There must be adequate linkages between both instruments, including in their follow-up and review.

84. Members of the Pacific small island developing States were among the most vulnerable to the impacts of climate change. For some of them, it was an existential threat. The Addis Ababa Action Agenda recognized the threat that climate change posed to past successes and future efforts to achieve sustainable development. In that regard, it was important for developed countries to meet the goal of mobilizing $100 billion per year by 2020 to address the adaptation and mitigation needs of developing countries. Climate finance must not be double-counted as ODA. It must be considered as separate from, and additional to, ODA.

85. The Pacific small island developing States had strongly advocated for recognition in the Addis Ababa Action Agenda of the importance of affordable, reliable, modern and sustainable energy for their islands. They therefore welcomed the provisions in the Agenda that aimed to promote access to renewable and sustainable energy infrastructure and services, especially in small island developing States. The Agenda’s recognition of the importance of the oceans in sustainable development was further welcomed. It underscored commitments to protecting the oceans, including the call to strengthen disciplines on subsidies in the fisheries sector.

86. The Technology Facilitation Mechanism was one of the most important outcomes of the Agenda and its full operationalization would be most welcome. Promoting science, technology and innovation were critical to driving economic growth, reducing poverty and addressing climate change.

87. The Pacific small island developing States, which looked forward to further engagement on the Addis Ababa Action Agenda through the Economic and Social Council Financing for Development Forum, also welcomed support for the development of national statistical data capacity and stressed the importance of continued progress on monitoring measurements that went beyond per capita income.

88. **Mr. Babajide** (Observer for the European Union) said that according to the Addis Ababa Action Agenda, strengthened domestic revenue mobilization was needed to achieve the Sustainable Development Goals. That would require fair and effective tax systems, the prevention of leakages and the effective management of spending. The European Union would continue to help countries mobilize more resources, including through its new flagship programme on domestic revenue mobilization.

89. International public finance, including ODA, still had a role to play, particularly in the countries most in need. The European Union collectively provided more than half of global ODA and was committed to meeting the target of allocating 0.7 per cent of its GNI to ODA, and 0.15 to 0.20 per cent to the least developed countries.

90. The private sector was a key driver of inclusive growth and job creation. Harnessing the potential of private entrepreneurship would be key to achieving the Sustainable Development Goals. The European Union had been a pioneer in the design and use of innovative financing mechanisms, such as blending. Its blending facilities could help mobilize up to 100 billion euros in investments for poverty eradication and sustainable development by 2020.

91. International trade could be a powerful engine for sustainable development. The European Union had been leading in integrating sustainable development into trade policy, notably by including relevant provisions in its trade agreements and by making trade an effective tool to promote sustainable development worldwide. Europe was the most open market in the world for developing countries’ exports.

92. The European Union offered duty-free and quota-free market access for all products from least developed countries, except for arms and ammunitions, resulting in over 35 billion euros annually of least developed country exports to the European Union. Its global aid for trade efforts had amounted to 11.7 billion euros in 2013, which accounted for more than a third of global support.

93. Science, technology and innovation were important drivers of smart, sustainable and inclusive growth, as well as means of implementation for the Sustainable Development Goals. One contribution to those efforts was the European Union Framework Programme for Research and Innovation, which had been opened up to allow the participation of researchers from developing countries. The European Union would also engage constructively to ensure the prompt operationalization of the Technology Facilitation Mechanism..

94. Implementing sustainable development must go far beyond financial commitments. It was also crucial to have good governance, democracy and the rule of law; to establish effective, accountable and inclusive institutions; and to combat corruption and illicit financial flows. Policy coherence for development at all levels by all countries should be at the core of the new global partnership.

95. The European Union welcomed the collective commitment made in Addis Ababa to phase out fossil fuel subsidies, move forward on carbon pricing and create the right incentives for low-carbon development.

96. A coherent, efficient and inclusive follow-up mechanism for the Addis Ababa Action Agenda was now needed, as well as a strong focus on the critical role of data in delivering on commitments.

97. **Ms. Schwalger** (New Zealand), speaking on behalf of Canada, Australia and New Zealand, said that global growth remained modest and uneven, and the forecast was clouded by a range of risks in various parts of the world, such as reduced growth in key Asian economies, protracted commodity market rebalancing and capital flow reversals. Prospects for medium-term growth fell far short of aspirations.

98. Advanced economies were once again achieving modest growth. However, the effort to secure stronger and more sustainable growth in those economies was incomplete. Canada, Australia and New Zealand were well aware of the uncertainties in the global economy. Although emerging market economies continued to make a significant contribution to global growth, downside risks had risen as a result of declining commodity prices and a transitioning Chinese economy.

99. There was no room for complacency. While countries with sound policies were more resilient than they would otherwise be, more effort was needed to secure and strengthen the platform to help achieve the new objectives. Countries should therefore make use of appropriate policy levers and reform opportunities to increase growth, strengthen international frameworks and monitor risks. At the same time, medium-term fiscal positions must not be undermined and the environment must be preserved for future generations.

100. Many different sources of financing would be needed to achieve the Sustainable Development Goals. In addition to traditional bilateral and multilateral assistance, greater domestic resource mobilization would be necessary. As the private sector would also play a critical role, through domestic investment and FDI, countries must provide the appropriate policy and regulatory frameworks to encourage private sector investment. Sound macroeconomic fundamentals were also necessary to allow financing for sustainable development to continue growing over time.

101. Nevertheless, the achievement of the Sustainable Development Goals might still be at risk from the impact of unexpected shocks and growing vulnerabilities to climate change and natural disasters, especially for developing countries and small island developing States. Canada, Australia and New Zealand therefore welcomed the renewed commitment of the international community to address those challenges and ensure that development financing frameworks responded appropriately to the challenges facing smaller and more vulnerable countries.

The meeting rose at 6.05 p.m.