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Chair: Mr. Remaoun (Vice-Chair) .... (Algeria)
later: Mr. Skinner-Klée Arenales .... (Guatemala)

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In the absence of Mr. Skinner-Klée Arenales (Guatemala), Mr. Remaoun (Algeria), Vice-Chair, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 21: Implementation of the outcomes of the United Nations Conferences on Human Settlements and on Housing and Sustainable Urban Development and strengthening of the United Nations Human Settlements Programme (UN-Habitat) (*continued*) (A/73/83-E/2018/62, A/73/307 and A/73/455)

1. **Ms. Youssef** (Iraq) said that her Government considered it very important to ensure the implementation of all resolutions, particularly General Assembly resolution 72/226 on the strengthening of the United Nations Human Settlements Programme (UN-Habitat), so that Member States could optimize their use of that body in rebuilding countries destroyed through armed conflict and natural disasters. A trust fund operated in accordance with United Nations financial rules and regulations was available for responding swiftly to countries in urgent need.

2. Decent housing was a right for all but remained beyond reach for many. Since its establishment of a national commission on housing and human settlements in 1979, Iraq had been confronted with rapid population growth, rural-urban migration, partial occupation by Islamic State in Iraq and the Levant (ISIL) and the internal displacement of 2.5 million citizens. Her Government's priority was to stabilize devastated regions as quickly as possible. Military action had led to a serious housing shortage, but 60 per cent of displaced persons had been rehoused and some housing rebuilt. The financial resources of Iraq had been wiped out by war, and there had been a fall in the price of oil, the country's main source of revenue. The 2010 national housing policy had been reviewed to identify obstacles to the implementation of that policy.

3. The conflict in Iraq had been an existential battle against universal terrorism rather than a civil war. The ISIL terrorists had come from around the world but had now been defeated in her country, which had made an enormous sacrifice in terms of lost lives, damaged infrastructure and slowed development. Calling for all States to be aware of what had happened and provide support through partnerships, she also asked all agencies and partners to fulfil their commitments regarding housing reconstruction, investment and technical assistance.

4. **Ms. Sarrestani** (Islamic Republic of Iran) said that the implementation of the 2016 New Urban Agenda required policy frameworks enabled at different levels, integrated through participatory management of urban spatial development and effective means of implementation, and complemented by international cooperation and capacity-building efforts, including the sharing of best practices, policies and programmes among Governments. Currently undergoing transition, UN-Habitat should remain within the framework of sustainable development, with poverty eradication as its overarching objective while respecting national leadership and ownership. A strengthened UN-Habitat should support increased governmental participation in implementing the New Urban Agenda by providing technical assistance to build capacity in developing countries for planning and implementing sustainable urbanization and human settlement programmes.

5. The mandated tasks of UN-Habitat as well as Member States' expectations of that body could only be fulfilled if its financial situation was addressed. As indicated in the report of the Secretary-General (A/73/307), it was particularly important for UN-Habitat to strike a reasonable balance between core funding and earmarked funding in order to ensure its normative and operational activities.

6. Owing to its urban population concentration, rapid population growth and accelerated urbanization, Iran attached great importance to sustainable urban development planning. The right to adequate housing had been recognized in the Constitution. The Ministry of Roads and Urban Development had prepared a comprehensive housing plan covering finance, urban land, building materials, taxation, the construction industry, subsidies and energy efficiency, as well as low-income, social and rural housing. Her Government also planned to improve urban peripheries and neglected areas with a focus on energy-saving technologies and rail development.

7. **Ms. Shurbaji** (Syrian Arab Republic) said that her Government was aware that achieving the Sustainable Development Goals involved implementing all national plans, including urbanization plans. The country faced increasingly difficult and complicated challenges including rapid population growth and poverty, the threat of terrorism and the consequences of selective unilateral economic sanctions. The focus must therefore be on technical assistance to help countries strengthen their capacity for housing construction. A contribution towards the reconstruction of infrastructure, services and housing was required.

8. Eight years after its war against terrorism, Syria was now regaining stability and peace and had begun rebuilding devastated regions. However, creating an enabling environment for rehousing refugees and displaced persons was challenging for the country and for the United Nations, which needed to ensure collective responsibility so that all peoples could exercise their right to development. UN-Habitat played an important part, with the Syrian Government assisting its national institutions in rebuilding infrastructure and housing. Her Government would appeal to Member States for the adoption of an innovative resolution to provide urbanization project assistance to those countries most damaged. Timing was crucial.

9. **Mr. Richter** (International Organization for Migration (IOM)) said that human mobility had always played a fundamental role in urban development. Urbanization was increasingly shaped by migration, and factors including uneven economic growth, high unemployment and climate change were expected to intensify population shifts from rural to urban areas. Cities had become the primary migration destinations and were the main intermediaries between migrants and host communities, with local authorities best placed to meet the immediate needs of migrants and facilitate their access to services such as health, housing and education.

10. By giving special attention to the challenges of migrants in urban areas and committing to the promotion of safe, orderly and regular migration, the New Urban Agenda provided a platform for building on global commitments and ensuring that migration and urban issues were addressed jointly in multilateral frameworks. IOM concurred with the Secretary-General's assessment that coherence should be promoted and complementarities and interlinkages between global development agendas reinforced. The Global Compact for Safe, Orderly and Regular Migration, whose adoption was anticipated in December 2018, aimed to improve migration governance at all levels and would require the active involvement of policymaking actors leading efforts to promote integration and social cohesion.

11. IOM prioritized the underscoring of dynamics between migration and cities, and aided Member States in establishing migration governance and consultation practices and supporting subnational dialogue on migration through the annual Global Forum on Migration and Development. IOM was also supporting engagement on migration issues through the Migration Governance Indicators, a tool developed to provide local authorities with insights on policy measures to strengthen migration governance and achieve the migration-related aspects of the New Urban Agenda and the Sustainable Development Goals.

Agenda item 18: Macroeconomic policy questions (A/73/455)

(a) International trade and development (A/73/15 (Part I), A/73/15 (Part II), A/73/15 (Part III), A/73/15 (Part IV) and A/73/208)

(b) International financial system and development (A/73/280)

(c) External debt sustainability and development (A/73/180)

(d) Promotion of international cooperation to combat illicit financial flows and strengthen good practices on asset returns to foster sustainable development

Agenda item 19: Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development (A/73/86-E/2018/68)

12. **Mr. Baddoura** (President of the Trade and Development Board, United Nations Conference on Trade and Development (UNCTAD)), introducing the reports of the Trade and Development Board (A/73/15 (Parts I-III)), said that challenges to achieving the Sustainable Development Goals included environmental degradation, extreme poverty and hunger, rampant youth unemployment and rising inequality, and were compounded by mounting protectionist and unilateralist tendencies. The global community must remain committed to multilateralism in order to address those challenges.

13. The 2030 Agenda for Sustainable Development and the Goals were a collective effort to achieve fair globalization and inclusive growth. Progress made since the fourteenth session of UNCTAD in 2016 had been reviewed at the sixty-fifth session of the Trade and Development Board in June 2018. Following examination of illicit financial flows by the Intergovernmental Group of Experts on Financing for Development, UNCTAD had initiated a joint project with the Economic Commission for Africa and the United Nations Office on Drugs and Crime to measure such flows. The Intergovernmental Group of Experts on e-Commerce and the Digital Economy would consider how to help developing countries benefit from that new source of trade.

14. UNCTAD members had also called for stronger intergovernmental linkages between Geneva and New York as well as reinforced dialogue within the United Nations development system. Bringing the dates of the annual session of the Trade and Development Board

forward from September to June had allowed for more synergies and timely interaction with the high-level political forum, the Economic and Social Council and the regular session of the General Assembly. He invited Member States for input on how policy recommendations resulting from the Board's discussions could best enhance the work of Member States in New York.

15. Deliberations had been held at the high-level segment of the sixty-fifth session of the Trade and Development Board on "new ways in which the United Nations could address the crisis of multilateralism and trade and its development machinery and what the contribution of UNCTAD would be", with the focus on preventing threats from undermining the achievement of the 2030 Agenda. It had been suggested that a new deal for equitable globalization was needed, and that a continued rise in economic nationalism and protectionist policies would be detrimental to the most vulnerable. Urgent international cooperation was necessary for trade to continue enabling development, and concrete actions were required to re-energize multilateralism.

16. Considerations of policies for a digital economy had focused on addressing digital divides, enabling small businesses to compete, developing digital skills, adapting legal and regulatory frameworks, and scaling up technical and policy support to developing countries. Multilateral and national actions were required for digital transformations to reinforce leadership in and ownership of sustainable development and distribute benefits fairly.

17. The debate on plugging financial leakages and mobilizing resources to deliver the Goals had focused on policies to mitigate inequalities generated by issues such as tax avoidance, illicit financial flows, trade misinvoicing and corruption, and on actions to prevent such leakages.

18. Discussions on building resilience to multiple shocks affecting people and sustainable development had centred on the use of smart trade and a multilateral approach to promote sustainable patterns of production and consumption and make development inclusive, and the use of trade and development to help prevent conflict among and within countries. Measures to establish a holistic approach to prevention as the international trade and development standard were also considered.

19. Initial discussions on economic development in Africa had benefited from the UNCTAD *Economic Development in Africa Report 2018* focusing on the use of well-managed migration to help address development challenges. In addition to contributing to economic growth, safe and orderly migration could prompt structural transformation and help achieve the 2030 Agenda and Agenda 2063 of the African Union. Subsequent deliberations on economic development in Africa had emphasized that UNCTAD should continue working on research and policy analysis, technical assistance and consensus-building.

20. Technology and innovation had been addressed as a major and effective means of implementing the Goals in the *Technology and Innovation Report 2018 on Harnessing Frontier Technologies for Sustainable Development*, although it had also been noted that the proliferation of new technologies entailed new risks threating to overwhelm countries' capacity to adapt. To benefit from technologies, countries must develop adaptive innovation systems and sound institutional and regulatory frameworks, and promote the emergence of capable firms, creative entrepreneurs, efficient government officials and engaged civil society. Developing countries needed to invest in frontier technologies and profit from technology transfer in order to increase science, technology and innovation capacities and deliver inclusive growth.

21. Views had been exchanged on the UNCTAD contribution to implementation of the Programme of Action for the Least Developed Countries for the Decade 2011–2020 and on its activities in support of small island developing States and landlocked developing countries. UNCTAD contributions to the implementation of and follow-up to the outcomes of the major United Nations economic and social conferences and summits had also been examined. At the review of the UNCTAD implementation of the quadrennial conference outcome, the Board had reaffirmed its commitment to reinvigorate the intergovernmental machinery and had expressed satisfaction with the Secretariat's implementation of the Nairobi outcome document to date.

22. The session on interdependence and development strategies in a globalized world had considered the *Trade and Development Report 2018*, in which it was stressed that trade and digitalization had been prone to rent-seeking by large firms, and in which the push to suppress developing-country policy options that had recently lifted hundreds of millions out of poverty had been questioned. The session on investment for development had considered the *World Investment Report 2018* and the role of investment and new industrial policies. The importance of foreign direct investment (FDI) as a major source of external finance for development had been underscored, and concerns had been expressed over reduced FDI flows and stagnating global value chains.

23. A further session had examined the report on assistance to the Palestinian people, and the State of Palestine had been welcomed as a full member of UNCTAD and of the Trade and Development Board. Calls had been made to reverse the decline in international aid, and grave concern had been expressed at the deterioration in socioeconomic conditions, particularly unemployment, poverty, annexation and the expansion of illegal settlements.

24. Ms. Coke Hamilton (Director of the Division on International Trade and Commodities, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on international trade and development (A/73/208), said that the trade and development environment was now very fragile. International trade had been erratic during the previous five years and at odds with prior economic trends. Global trade had rebounded by 9 per cent in 2017 but remained below the 2014 level. Although economic and therefore trade growth was forecast for 2018, trade policy uncertainty might adversely affect international trade and investment.

25. With trade tensions compromising trade and development, an all-out trade war could increase tariffs tenfold, and a policy of seeking bilateral rather than regional or multilateral arrangements bode poorly for developing countries, especially least developed countries and small vulnerable economies, which were far less resilient to raised tariffs than developed countries.

26. A consistently important and stable source of financing for developing countries, global foreign direct investment had fallen by about one quarter in 2017 and could decline further, particularly in global value chains¸ whose dismantling would hurt lower-income countries and small developing economies with no capacity to retaliate against unilateral measures.

27. Sustainable Development Goal target 17.11, according to which least developed countries should have a 2.2 per cent share of global trade by 2021, was highly unlikely to be achieved. Two thirds of developing countries and 80 per cent of least developed countries were commodity-dependent. UNCTAD wished to ensure that upcoming discussions addressed the responsibility of Member States under the Goals not to leave those countries behind.

28. The multilateral trading system was being stretched and its credibility was under threat from a backlash against globalization, including trade. A dysfunctional system would expose low-income developing countries to trade uncertainty. The dispute settlement system had also been rendered virtually inoperable. A challenge to multilateral cooperation anywhere was a challenge to the Sustainable Development Goals everywhere. The multilateral cooperation mechanism needed to be protected, as the departure of large trading nations in a trade war would compromise collective action on other areas related to the Goals, including the fight against climate change, poverty reduction, global health and gender equality.

29. Despite the challenges, many countries were seeking greater cooperation. The game-changing Africa Continental Free Trade Agreement created a market of 55 countries and opportunities for integration into the global trading system. Work continued on fisheries subsidies and, at the multilateral level, there had been a gender declaration and progress on the trade facilitation agreement. The multilateral trading system was now 25 years old and must be protected and strengthened, but also adapted and made to work for a new generation.

30. **Mr. Pierre** (Officer-in-Charge, Financing for Sustainable Development Office, Department of Economic and Social Affairs), introducing the report of the Secretary-General on the international financial system and development (A/73/280), said that the report had evolved to include sustainability alongside stability in assessing coherence and consistency in international monetary and financial systems. Financial system stability and sustainability were mutually reinforcing. An effective and stable financial system was necessary to allocate resources addressing sustainable development needs.

31. Since the global financial crisis, financial sector reforms had helped reduce major risks in the financial system, but factors such as monetary tightening, trade tensions and uncertain multilateral cooperation had given rise to systemic risks in areas including cross-border capital flows, shadow banking and debt. The report provided data on trends in international private and public capital flows to developing countries, whose capital outflows in 2017 were substantially lower than in 2016, largely reflecting flows to China, which had moved from large net outflows in 2015 and 2016 to net inflows in 2017.

32. FDI in developing economies had remained stable; net portfolio flows to developing countries had grown but had been counterbalanced by net outflows in other investments, primarily cross-border bank loans. The aggregate figures did not reflect daily volatility or volatility in some emerging market currencies since the beginning of 2018. The increased yield on short-term United States treasury bonds had contributed to rapid currency depreciations, with more acute exchange rate pressure in countries with weaker macroeconomic

fundamentals or higher political risk. In relation to capital flows from public financial institutions, it was estimated that the 15 per cent growth in 2016 disbursements of non-grant subsidized finance from seven traditional multilateral development banks would allow the World Bank Group to raise annual lending to $100 billion by 2030.

33. There was a pressing need to reorient the financial system in order to provide stable support for financing sustainable development. Developing countries remained exposed to sudden changes in financial market sentiment and volatility in private flows. At the national level, sound macroeconomic policies aimed at achieving the Sustainable Development Goals needed to be complemented by effective financial regulation, macroprudential measures and capital account management. The implementation, supervision and enforcement of other regulatory initiatives remained crucial. Measures in all countries to better align financial markets with long-term sustainable investment could also reduce capital flow volatility.

34. National policies needed to be supported by an international enabling environment. Global cooperation was needed to strengthen the international monetary system and financial safety net and to better align international public finance institutions with the achievement of the Goals. Greater macroeconomic policy coordination would be especially important as the world moved to a multicurrency reserve system.

35. The report also provided information on areas including women's participation in the economy, illicit financial flows and international investment agreements, as well as on global economic governance, whose structures should evolve by creating more equitable governance arrangements and using the relevant United Nations forums for international economic policymaking in order to help align the international financial system with the 2030 Agenda.

36. A joint meeting of the Second Committee and the Economic and Social Council had been convened in September 2018 to discuss topics for the thematic chapter of the 2019 and 2020 reports of the Inter-Agency Task Force on Financing for Development. The Task Force had started its substantive work on all chapters of the 2019 report on financing for sustainable development. It planned a briefing at the end of the October 2018 to update Member States on progress.

37. **Ms. Blankenburg** (Head of the Debt and Development Finance Branch, United Nations Conference on Trade and Development (UNCTAD)), introducing the report of the Secretary-General on external debt sustainability and development (A/73/180), said that the report discussed the impact of the main global macroeconomic trends on developing country debt sustainability and highlighted the urgent need for improved policy on systematic consideration of long-term and structural constraints in a fragile global financial environment. There was particular emphasis on the need for concerted action to avoid structural debt traps in small island developing States with high environmental risk exposure, and for much more systematic and urgent consideration of stringent additional investment requirements arising from the 2030 Agenda.

38. Although the overall picture of the global macroeconomic environment was dismal, with increasing financial distress in developing countries, average growth rates in developing countries and transition economies had recovered slightly, and there had been a marked increase in free market commodity prices, which had been of concern to commodity-dependent developing countries. However, most commodity prices remained considerably below their 2011 peak, and there were growing concerns about global financial instability and the associated risks in the context of a fundamentally debt-driven global economy.

39. There was an upward trend in global debt levels since the 2007–2008 global financial crisis, and a rise in the share of debt in emerging market economies, particularly private sector debt. The effect on external debt sustainability in developing countries was causing them financial distress. There had been massive volatility in net capital flows to developing countries over the past decade, although FDI to some developing economies was relatively stable. Short-term capital flows, in particular other investments and illicit financial flows, had been declining until mid-2017, and large capital flow movements from countries including China were affecting all developing countries.

40. There was concern at ballooning household debt, particularly in the United States of America, and at the re-emergence of shadow banking and opaque financial practices that led to overlending or dubious lending, particularly in the non-financial corporate sector. Some international organizations including UNCTAD believed that at least one third of non-financial corporations were highly overleveraged, and increasing global financial instability was likely to result.

41. A number of high-income developing countries including Argentina and Turkey were now being severely affected by capital inflows, outflows and flight caused in part by United States dollar appreciations and interest rate developments. The situation was critical

globally, and a recent report from the International Monetary Fund (IMF) warned of an impending global financial crisis, which was reflected in developing country debt sustainability. Total external debt stocks had increased by over 80 per cent since 2008, particularly in developing economies. Debt service to export costs and debt servicing of government revenue were increasing unsustainably. In some poorer economies, debt servicing had risen to up to 30 per cent of government revenue.

42. Debt sustainability of low-income developing countries had decreased significantly in a relatively short period according to IMF, and most small island developing States had experienced the starkest deterioration, with debt accounting for 163 per cent of exports. The Addis Ababa Action Agenda of the Third International Conference on Financing for Development recognized the need to assist developing countries in attaining long-term debt sustainability through measures including coordinated policies for fostering debt financing, relief, restructuring and management, yet there remained a policy gap concerning the impact of investment requirements. Those needs were significant, and estimates would have a profound impact on fiscal positions and external debt sustainability in developing countries. Country-level research was underway to estimate investment requirements and the impact on the budget positions, but it was a situation in which nothing changed. Developing economies would need to increase annual investment into the 2030 Agenda of 4 to 11.5 per cent of gross domestic product (GDP), which would have a disastrous impact on debt sustainability if attempted, particularly with little or no public international financing.

43. Non-financial corporate debt was growing considerably faster than investment in developing economies, giving rise to concern that the debt being incurred did not serve productive investment, which was a core concern in the context of investment requirements related to the Sustainable Development Goals. Major international institutions had emphasized the need for downstream debt management capacities in developing countries as well as improved debt data recording, reporting quality and transparency, which was a welcome renewed policy focus on multilateral initiatives. However, monitoring macroeconomic and financial risk-to-debt sustainability posed further challenges.

44. In existing assessments, the notion of debt sustainability focused on debt stabilization without incurring implausibly large income expenditure or financial adjustments. There was a consequent risk that high levels of debt might be considered sustainable for a country if it could meet creditor claims without engaging in large-scale policy adjustment, and even if it were unable to mobilize sufficient resources for investment related to the Goals. The report suggested that there should be reconsideration of debt sustainability as the level of debt that allowed a country to achieve development goals without an increase in debt ratios.

45. Addressing the critical situation in small island developing States, she said that debt instruments could be improved to address exposure to natural disasters and associated risks. Improvements had been made to develop international insurance schemes and related instruments, but a better understanding was required of the structural obstacles to improving long-term debt sustainability and avoiding long-term underinvestment in climate change adaptation because of a focus on short-term debt. The report contained suggestions as to why more structural, long-term and systematic work was urgently required on that matter.

46. External debt sustainability in developing countries was critical. While initiatives to improve debt management capacities in developing countries were welcome and would be rapidly pursued, an effective response to growing debt and financial vulnerabilities in developing economies would require further coordinated macroeconomic policies to promote positive net resource flows to developing countries, which in turn required the stimulation of aggregate demand growth, the promotion of wage growth and the improvement of wealth distribution in advanced economies. In the meantime, it was important to strengthen multilateral initiatives enhancing debtor and creditor cooperation in preventing and resolving debt crises. Given the dynamics of the global economy and global financial instability, further debt and financial crises would happen, so the multilateral system must be prepared to address the required resolutions.

47. **Mr. Edrees** (Egypt), speaking on behalf of the Group of 77 and China, said that cyclical upturns disguised significant weaknesses and medium-term risks that could hinder the achievement of the 2030 Agenda. A disorderly tightening of financial conditions, the adoption of inward-looking policies, debt vulnerabilities and the escalation of geopolitical tensions could disrupt development progress. Persistently high levels of inequality posed a challenge to robust growth and sustainable development. Declining private investment in infrastructure indicated an inability to sufficiently align investment with long-term sustainable development. The imposition of coercive economic measures against developing

countries did not contribute to economic and social development.

48. International trade was important for financing development and achieving inclusive economic growth and poverty eradication. A universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under the World Trade Organization (WTO) was important, as was meaningful trade liberalization, which could stimulate development worldwide. He was concerned that the increase in unilateralism and protectionist measures would undermine the system and negatively affect developing countries' access to global export markets.

49. The failure to conclude the Doha Development Agenda was of deep concern. He encouraged WTO members to strengthen special and differential treatment for developing countries and address the inequities of the current global trading regime.

50. Emerging debt difficulties of developing countries had intensified since 2017, leaving several such countries fiscally constrained from generating the resources needed to implement the 2030 Agenda. A potential renewed cycle of debt crises and economic disruption posed severe challenges for achievement of the Goals. The means of achieving debt sustainability and measures for reducing the indebtedness of developing countries needed to be explored.

51. Enhanced cooperation was needed to combat increased illicit financial flows, which had a negative impact on development financing, and to ensure the return of assets to countries of origin. There remained no single global inclusive forum for international tax cooperation, which must be strengthened. The Committee of Experts on International Cooperation in Tax Matters should be fully upgraded to an intergovernmental body.

52. The 2008 global financial crisis had highlighted regulatory gaps in the international financial system, which required structural reform to avoid the recurrence of crises that could severely affect developing economies and should be made more responsive to the needs and concerns of developing countries.

53. The Group was also concerned about the impact of the challenging global environment on national efforts to implement the Addis Ababa Action Agenda. An enabling global environment and global partnership for development were needed, together with domestic resource mobilization.

54. *Mr. Skinner-Klée Arenales, (Guatemala), took the Chair.*

55. **Ms. Krisnamurthi** (Indonesia), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that both the ASEAN Community Vision 2025 and the 2030 Agenda envisioned the need for balanced economic, social and environmental objectives and recognized the cross-cutting nature of many sustainable development priorities. Positive global growth had boosted economic performance in ASEAN countries, resulting in steady progress on the Sustainable Development Goals that included a decline in extreme poverty, improvements in health-related fields, and access to primary education and improved water sources.

56. At the fiftieth meeting of ASEAN in September 2018, economic ministers had reaffirmed their commitment to the ASEAN Economic Community agenda aimed at strengthening regional economic resilience against external shocks and achieving long-term competitiveness. Agreed measures included increased efforts to narrow the development gap, enhance connectivity, build readiness for the fourth industrial revolution and cooperate on achieving sustainable economic development.

57. Sustained economic growth needed to be ensured, especially in countries with extreme poverty and low per capita income, by establishing a stable and conducive global and regional economic environment to complement national sustainable development efforts and mitigating negative impacts of price and exchange rate volatility, external shocks, climate change and disaster risks.

58. Global leadership, shared responsibility and multilateralism were required to achieve commitments such as the 2030 Agenda and the Paris Agreement under the United Nations Framework Convention on Climate Change, with decisive action on improved access to financing, capacity-building and technology. Indonesia was hosting the 2018 annual meetings of IMF and the World Bank Group in October 2018 to discuss sustainable economic growth, poverty eradication, economic transformation, climate change, gender equality, unemployment, systemic risk events and other global challenges.

59. The right scale and mix of private, domestic and international resources must be mobilized and synergized in line with national sustainable development priorities. Developed countries must also meet their official development assistance (ODA) commitments, which were still an important means of supporting developing countries. Efforts should be stepped up to promote financial inclusion and affordable access to finance for those excluded. Financial literacy

and education were needed to facilitate access to financial services, particularly for women and girls, farmers and micro-, small and medium-sized enterprises.

60. **Mr. Ligoya** (Malawi), speaking on behalf of the Group of Least Developed Countries, said that international trade was a key driver of economic growth and sustainable development in least developed countries and had increased in 2017, but was yet to return to 2014 levels. Those countries remained marginalized in the global trading system, and the decline in their share of global exports had moved them further away from achieving Sustainable Development Goal target 17.11.

61. Addressing non-tariff measures under logistical constraints and fostering product diversification, value addition, structural transformation, connectivity and trade facilitation could boost least developed country exports in the global market, and the increased Aid for Trade agreed in the Addis Ababa Action Agenda was vitally important.

62. The growing digital economy presented a new challenge for least developed countries, which needed support from development partners for digital transformation and the establishment of their own e-commerce platforms.

63. He called for the full and timely implementation of all decisions in favour of least developed countries agreed at previous WTO ministerial conferences, especially concerning duty-free and quota free market access, preferential rules of origin, the services waiver and cotton.

64. External borrowing was an important way for least developed countries to meet their growing sustainable development needs. However, the ratio of debt service to exports and the percentage of government revenue servicing debt had more than doubled between 2008 and 2017, partly due to increased borrowing at more expensive commercial terms, often in the absence of adequate ODA and concessional lending. He urged the international community to take effective measures, including the consolidation of multilateral and bilateral debt of least developed countries.

65. While ODA to least developed countries had risen somewhat, total ODA from members of the Organization for Economic Cooperation and Development and its Development Assistance Committee countries remained below its 2011 level. All development partners should contribute at least 0.2 per cent of their gross national income as ODA to the least developed countries. The international community should also implement investment promotion regimes for least developed countries, with support for investment contract negotiations, dispute resolutions, project document preparation, investment facilitation and risk insurance.

66. **Ms. Mills** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that further progress on the Sustainable Development Goals would not be made without addressing the growing tensions in the multilateral trading system. As open economies with low diversification capacity, CARICOM countries were well aware that international trade benefits were unevenly distributed. Only global action and cooperation could address development challenges. Multilateralism was the best guarantee against protectionism and was essential for transparency, predictability and stability in international trade. Current trade tensions were diverting efforts from multilateral initiatives.

67. CARICOM remained concerned at the decline in correspondent banking relationships, which might be detrimental to the promotion of financial inclusion if left unchecked. It was pleased that the Inter-Agency Task Force on Financing for Development was mandated to continue monitoring the decline in correspondent banking and the effects of that decline, including the unintended consequences of international financial regulation.

68. A key challenge for developing countries in maintaining external debt sustainability had been their hastened and often premature integration into rapidly expanding international financial markets. The associated increase in the role of private lenders and borrowers, alongside a growing shift towards bonds, was also of concern, as it exacerbated the debt situation in developing countries and restricted their ability to maintain adequate fiscal and policy space to pursue sustainable development. Reliance on easy financial conditions and short-term expectations of stock market appreciations needed to end; instead, global aggregate demand should be stimulated by tackling rising income inequality in developed economies, strengthening wage growth efforts and government service provision, supporting productive investment strategies and limiting corporate concentration.

69. Recent natural disasters demonstrated the environmental vulnerability of small island developing States and exacerbated already-unsustainable debt burdens of many countries. A more systematic approach was needed to finance climate change adaptation, support external debt sustainability and facilitate fast recovery following environmental shocks.

70. Some responses to challenges required greater coherence between global economic policymaking and global trade governance, both of which should be aligned with the Sustainable Development Goals. Creating the revitalized, credible and relevant multilateral trading system needed to meet future challenges called for a fair, equitable and open trading environment, reinforced coherence between multilateral and regional agreements, and policy space in which countries could implement proactive economic, social and environmental policies, including provisions for special and differential treatment. The key was to recognize the multilateral trading system as an essential public good.

71. **Mr. Sinha** (India) said that the world was increasingly complex, interdependent and interconnected. Past global crises showed how macroeconomic and financial policies in some countries could set back growth and sustainable development efforts around the world. The global economic outlook necessitated the promotion of policies for growth and investment. Renewed global partnership was needed to mobilize additional resources for financing sustainable development and promoting longer-term investment, including foreign direct investment, in critical sectors such as transportation, agriculture, energy, infrastructure, and information and communications technologies.

72. Open trade was a means of creating employment and helping to achieve the Sustainable Development Goals. He reiterated support for the multilateral trading system and the centrality of WTO as the cornerstone of a rules-based, open, transparent, non-discriminatory and inclusive multilateral trading system with development at the core of its agenda.

73. India had introduced a number of key structural initiatives and reforms aimed at building strength across macroeconomic parameters for sustainable growth, including the landmark introduction of a single goods and services tax under the “one country-one tax” concept. The Jan-Dhan financial services programme had enabled over 320 million citizens to obtain bank accounts, and the poor to receive welfare payments by direct benefit transfer, ending systemic waste and corruption. Ayushman Bharat, the world’s largest health protection scheme, would benefit 500 million citizens.

74. Domestic resource mobilization in the form of tax collection faced traditional challenges like transfer mispricing as well as new challenges such as the taxation of income from the digital economy, which could easily be shifted to low-tax jurisdictions. To strengthen the work of the Committee of Experts on International Cooperation in Tax Matters, India had contributed to its trust fund for the second year running. With a view to enhancing cooperation with other developing countries, India had also established the India-United Nations Development Partnership Fund in 2017 for projects in least developed countries and small island developing States.

75. Ms. **Zahir** (Maldives), speaking on behalf of the Alliance of Small Island States (AOSIS), said that the Second Committee was the primary political forum for global financial and economic matters, but the complexity of the global financial system and expert bodies required closer cooperation with other actors to provide them with more targeted political guidance and reaffirm the importance of the Committee in the economic arena.

76. Global economic risks had been growing, and there were significant threats from trade and geopolitical tensions, monetary policy adjustment in developed countries and elevated debt levels. Financial markets were increasingly unstable, and many developing countries faced rising exchange rate volatility that harmed their economies. Small island developing States were highly vulnerable to external economic and environmental shocks and took the longest to recover. The need to incorporate climate change risks into deliberations was increasingly clear. Her delegation was deeply concerned at the failure to implement key aspects of the Addis Ababa Action Agenda and at the declining trend in ODA, which was a critical component of development aid, and called on the international community to meet its ODA obligations urgently.

77. International trade was critical to the economic growth of countries with narrow resource bases, distance from markets, geographical isolation, and dependency on imported goods and services. Calling again for a fair, rules-based multilateral trading system that reinvigorated global trade and growth and harnessed trade and development in an economically, socially and environmentally sustainable and inclusive way, AOSIS further reaffirmed the centrality of WTO to such a system.

78. She expressed continued concerned at the lack of progress on multilateral solutions to fisheries subsidies, which would maintain harmful incentives to harvest fish stocks already in decline while hurting the economies of and endangering livelihoods in small island developing States.

79. Debt distress had become a severe challenge in small island developing States, whose debt stocks had more than doubled between 2017 and 2018, with some

countries facing debt-to-GDP ratios exceeding 100 per cent. Most of those States were middle-income countries not eligible for instruments to ease debt distress or with limited access to concessionary development financing. Her delegation continued to call for reforms to GDP plus criteria in gauging eligibility for concessionary financing. Financing issues affecting the achievement of the Sustainable Development Goals by AOSIS were significant and multifaceted. They required the combined efforts of the Economic and Social Council forum on financing for development follow-up and the Second Committee.

80. **Mr. Hilale** (Morocco), speaking on behalf of the Group of African States, said that the reports of the Secretary-General and the Trade and Development Board of UNCTAD clearly showed the need to strengthen multilateral economic surveillance, particularly of international financial sectors, policy spillover effects and cross-border linkages. Inclusive international trade remained a central way to pursue macroeconomic policies contributing to global financial stability and ensuring sustainable economic growth and development. He called on all countries to resist protectionist tendencies, which had far-reaching repercussions on developing countries, particularly in Africa.

81. Macroeconomic policy questions were important in establishing the economic environment necessary to achieve the 2030 Agenda. Noting that international trade performance over the past five years had been at odds with the previous trend and the overall global economic environment, he said that Africa suffered most when global shocks affected economies. As the value of international trade continued falling, the Group remained concerned that the Doha Development Agenda had not been concluded. It also recognized the need for stronger regional cooperation to address global challenges affecting economic recovery and development.

82. The multilateral negotiations for the WTO Agreement on Trade Facilitation had inspired the creation of the Continental Free Trade Area. The latter was aimed at consolidating regional economic communities into a single continental block comprising over 1.2 billion people and $2.1 trillion in combined national incomes, creating regional value chains as well as economies of scale for investment, and boosting intra-African trade, employment, continental GDP, industrialization, and African and foreign direct investment.

83. The African Group remained committed to a universal, rules-based, open, non-discriminatory and equitable multilateral trading system, urged countries in the global North to break the current impasse in the Doha Development Round negotiations, and called on UNCTAD to continue monitoring global protectionist policies in order to assess their impact on developing countries. Adequate and predictable financing was indispensable for the achievement of the Sustainable Development Goals. Expressing concern at the recent continued decline in ODA, he said that developed countries and ODA providers must continue their meaningful role in eradicating poverty. Like most developing countries, African countries required assistance to boost industrialization and grow their economies.

84. Inclusive sustainable economic development was a key priority of African Union Agenda 2063. Many African countries had made economic transformation a focus of their development agenda. Regional manufacturing hubs were being created and intra-Africa trade scaled up as an essential engine for economic growth and continental industrialization. Africa urgently needed long-term FDI to meaningfully join global value chains. Investment in physical capital must be accompanied by investment in human capital to strengthen its developmental impact. He echoed the call for technology transfer to help bridge the developmental gap between the global North and South.

85. **Mr. Escalante Hasbún** (El Salvador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that there remained a need to promote an enabling environment for the 2030 Agenda through continued improvement of the mechanisms for regulating and monitoring the regional and international financial system and by national and international efforts supporting policies aimed at increasing investment, with consideration of each country's full and permanent sovereignty over all its wealth, natural resources and economic activity. Domestic resource mobilization alone was not enough to achieve the economic growth needed for sustainable development. Justice and social inclusion mechanisms also need to be promoted to eradicate poverty.

86. The CELAC countries were concerned to see that, despite some improvements in the global and regional economies, recovery had been uneven across countries and sectors. There remained specific challenges and structural problems exacerbated by the reduction in access to concessional finance, particularly for middle-income countries and countries in transition that had recently passed the middle-income threshold but still had structural gaps and vulnerabilities. CELAC also encouraged multilateral development banks to examine ways to ensure that their assistance more effectively

considered the opportunities and challenges in different developing countries. CELAC again called for the formulation of transparent measures of progress on sustainable development that went beyond per capita income, recognizing the multidimensional nature of poverty, the social, economic and environmental dimensions of national production, and the effect of structural gaps.

87. Acknowledging the serious debt problem of developing countries and its negative impact on resource mobilization, CELAC welcomed the initiative of the Economic Commission for Latin America and the Caribbean for a debt-for-climate-adaptation swap to address the unsustainable debt burden of disaster-afflicted Caribbean economies, and the creation of a resilience fund to facilitate climate adaptation investment. He stressed the need to further strengthen the forum on financing for development follow-up as the main mechanism for monitoring development results.

88. CELAC applauded the South-South contribution to poverty eradication and sustainable development, but rejected unilateral economic, financial or commercial measures that were inconsistent with international law and the Charter of the United Nations. Such measures impeded development financing and the full realization of economic and social development, particularly in developing countries.

89. Noting that trade was an engine of growth and sustainable development, he was deeply concerned by the increase in protectionist discourse and trends. CELAC was committed to promoting an open, transparent, predictable, inclusive, rules-based, non-discriminatory and equitable multilateral trading system under WTO.

90. **Mr. Alshames** (Libya) said that international trade was the engine of macroeconomic growth. Despite expectations that increasing international trade would continue to boost economic growth in 2018, GDP was not expected to increase at the same level. A just and equitable global multilateral trading system was needed that achieved development by enhancing the role of the United Nations and the international economic and social fields. Global financial institutions must become more democratic and capable of responding to different economic and developmental needs.

91. Accession to WTO must be facilitated and no politicized conditions should be imposed. Many countries continued to be affected by external shocks as a result of the volatility in commodity prices. Developing countries dependent on single commodities to support their economic structures needed assistance to build institutional capacities and diversify incomes by developing their service sectors.

92. Despite the difficult current situation, Libya had implemented a package of economic reforms with the assistance of the United Nations to improve the living conditions of its citizens and the performance of service sectors. Libya was trying to mobilize financial resources in order to achieve the Sustainable Development Goals. Countries in receipt of illicit financial flows stemming from Libya should cooperate with his Government in recovering those assets.

93. **Mr. Matjila** (South Africa) said that it was clear that the Sustainable Development Goals would not be achieved without adequate funding. South Africa was encouraged by the international community’s reinvigorated implementation of the 2030 Agenda and the Addis Ababa Action Agenda. However, it was concerned at the widening funding gap caused by a move away from multilateralism and a deviation from traditional international cooperation. Those countries that had not honoured their ODA commitments should do so.

94. Systemic and structural global challenges impeded delivery of the 2030 Agenda. International trade was an engine for development. For globalization to benefit all countries, the international community must promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under WTO. South Africa was disappointed with slow progress on international trade negotiations and supported the revival of the Doha Development Round. It also strongly supported regional economic integration and trade but saw the need for more meaningful global market access for developing countries via WTO.

95. Industrialization, which remained crucial to inclusive growth within and among countries and Africa’s achievement of the Goals by 2030, promoted development by increasing value creation in an economy and generating further activity along value chains. An enabling and just global environment was required to complement national and regional efforts in achieving inclusive and sustainable industrial development.

96. Member States should develop a multilateral body under the United Nations to meaningfully address the scourge of illicit financial flows, which continued to undermine development in developing countries, particularly in Africa.

97. South Africa was concerned at the recent retreat of certain Member States from multilateralism and urged

them to reconsider. A more insular approach might satisfy short-term needs but was ultimately short-sighted and counterproductive.

98. **Mr. Maslov** (Russian Federation) said that all countries faced new economic, technological, social and ecological challenges, but the rising geopolitical tension was particularly important. The gap between developed and developing countries continued to grow, there was high volatility in commodity and financial markets and social problems were mounting. Fiscal stimulus had morphed into significant State budgetary deficits, and corporate and financial indebtedness was increasing. It was time for an in-depth discussion of the stability of the global financial system.

99. The Russian Federation advocated for a responsible approach to international financial policy that considered the interests of all and excluded unilateral attempts at reform of global financial institutions for narrow national purposes. To preserve economic and political stability and enhance the well-being of its citizens, his Government was implementing structural and institutional reforms. The Russian economy was adapting to external restrictions and beginning to grow. Russia was steadily increasing its contribution to international development and remained actively involved in the forum on Economic and Social Council financing for development follow-up.

100. A smoothly functioning trading system was another important engine of global economic growth. WTO must remain a universal institutional foundation for global trade and the proper forum for discussing trade and economic issues. He expressed concern at the continuing deadlock in multilateral trade negotiations and the different demands being made, and at the Appellate Body situation that was casting doubt on the viability of the arbitration role of WTO. Russia was ready to engage in joint efforts to find constructive solutions to those problems.

101. The Russian Federation would not create barriers to international economic relations, which were increasingly politicized. The use by certain countries of sanctions, trade wars, artificial barriers and other measures that ran counter to economic common sense was disquieting. The dialogue begun by the Human Rights Council on the negative impact of unilateral coercive measures on human rights also deserved attention. His Government would not ignore or close itself off from the global market and called for an open, transparent and inclusive trading system that took account of the interests of all its participants.

102. The promotion of global economic growth through regional integration was an aim pursued by the formation of the Eurasian Economic Union. Its members, namely, Armenia, Belarus, Kazakhstan, Kyrgyzstan and the Russian Federation, were advancing in their economic integration, creating conditions for the free movement of goods, services, capital and labour, and seeking to develop a single digital market for developing new markets and services sectors as well as innovations.

103. **Ms. Rodríguez Abascal** (Cuba) said that, for decades, developing countries had aspired to achieve a fairer, non-discriminatory international order that enabled growth and development for all and narrowed the gaps with developed countries. For the majority of countries in the South, the international environment continued to impede development prospects; structural change was urgently needed in the economic, commercial and international financial spheres. Greater representation of developing countries, equity and transparency must be promoted in the mechanisms of global economic governance. The implementation of the 2030 Agenda and the Addis Ababa Action Agenda would not be possible without firm commitments and greater political will to mobilize additional, predictable and unrestricted resources for developing countries. Few developed nations met their ODA commitment.

104. Cuba supported external debt relief, including debt cancellation and restructuring for the countries of the South, particularly the poorest countries. Progress was needed towards the establishment of a multilateral sovereign debt renegotiating mechanism that was fair, balanced and development-oriented. A new international financial architecture should be built that guaranteed greater stability in financial flows to developing countries and reduced conditionality, volatility and speculation. A universal, rules-based, open, transparent, inclusive and non-discriminatory multilateral trading system should be established that guaranteed special and differential treatment for all developing countries. Unilateral, discriminatory and protectionist trade practices that hindered development and undermined multilateralism must be rejected.

105. Her country rejected the promulgation and implementation of unilateral coercive economic measures as a means of exerting political and economic pressure on developing countries in contravention of international law and the Charter of the United Nations. For almost 60 years an economic, commercial and financial blockade imposed on Cuba had caused deprivations for the Cuban people and had been the main obstacle to development, and consequently to implementation of the 2030 Agenda. Cubans' right to development was being restricted by that blockade, which prevented access to the best technologies on an

equal basis and impeded normal relations with international financial institutions and with other countries, including the United States of America.

106. **Ms. Oehri** (Liechtenstein) said that the United Nations Convention against Corruption provided a global legal framework for fighting corruption, which was a complex social, political and economic phenomenon that eroded trust in democracy and public institutions, hindered sustainable development, undermined human rights and fundamental freedoms, and posed a threat to peace and security worldwide. Eradicating corruption and promoting just, peaceful and inclusive societies based on the rule of law were the key to fully implementing the 2030 Agenda.

107. Liechtenstein had amended its Criminal Code based on recommendations following the United Nations Convention against Corruption review, taken measures to enable international cooperation between law enforcement authorities and recovered over $230 million in stolen assets. The return of assets under the Convention should not be confused with other forms of international cooperation, particularly on illicit financial flows, which might also encompass the proceeds of drugs and arms trafficking, human trafficking, trade misinvoicing, transfer mispricing and undeclared offshore wealth.

108. In 2018, the Foreign Ministers of Liechtenstein and Australia had launched a public-private partnership bringing together actors from retail banks, hedge funds, global regulators, institutional investors, survivors, the United Nations and the anti-slavery movement to produce measures for the global financial sector to tackle illicit financial flows associated with modern slavery and human trafficking.

109. Liechtenstein was committed to a rules-based global trade system under WTO and had concluded preferential trade agreements that often included social and environmental provisions for sustainable development.

110. The Second Committee was well positioned to consider the rise of blockchain and cryptocurrencies, reflect on their immense potential for sustainable development and assess associated risks and challenges. Liechtenstein had initiated landmark legislation to create legal certainty for business activity on blockchain systems and provide a sound framework for the token economy, regulating property rights for tokens, preventing abuse and defining minimum requirements for business activity. Blockchain technology already played an important role in the daily operations of the United Nations, including its development work and humanitarian assistance.

111. **Mr. Samir** (Iraq) said that global partnership between developing and developed countries should be meaningful. The international community must shoulder its responsibility and create an environment conducive to prosperous multilateral trade. Developed countries had an important role to play in providing effective financing and implementation tools to ensure equal opportunities and assist with the integration of developing countries into the global economy. Development assistance contributed significantly to infrastructure projects in developing countries, especially those suffering from war and terrorism, such as Iraq. International trade facilitated the achievement of sustainable development, and if properly harnessed would promote the creation of jobs and provide guidance on using existing resources, which would improve standards of living.

112. While aiming to be open to the world economy and fulfil its commitments under global compacts, Iraq was undergoing a challenging transition. Terrorist groups had destroyed infrastructure and displaced millions, while oil prices had declined, leaving a huge budget deficit and gap between financial requirements for reconstruction and available resources. Consequently, his Government had implemented a package of effective structural reforms that ensured the stability of the currency and established stable and influential institutions, improving microeconomic indicators. International assistance to slow economies would help them become productive countries. It was important to cancel foreign or external debt, which obstructed economic activity.

113. His Government believed in a multilateral trade system and was in negotiations for full WTO membership, which would to help the country to accelerate the integration of its economy into the global economy and to implement sustainable development programmes.

114. International cooperation was needed to stem illegal financial flows, which resulted from corruption, helped finance terrorism and restricted public services. Iraq had implemented measures to ensure compliance with Security Council resolutions and prevent money-laundering as well as the financing of and support for terrorism, which it was monitoring closely.

115. **Ms. Mendoza Elguea** (Mexico) said that the outcomes of the International Conferences on Financing for Development addressed substantive pillars of sustainable development while also providing tools to finance the Sustainable Development Goals and boost development. The dynamic international economic environment called for bold Committee debates and

resolutions. The texts of draft resolutions should also be action-oriented and merged in order to identify the Member States' interests and exclude obsolete versions.

116. Members States should move away from protectionist rhetoric and reaffirm their commitment to a multilateral trading system based on universal non-discriminatory rules that promoted sustained equitable economic growth for all. The experience of Mexico through its network of trade treaties was a successful example.

117. Strengthened international cooperation was critical to support sustainable development, help eradicate multidimensional poverty and tackle the main challenges to equality. Achieving sustained and equitable economic growth and enhancing empowerment required greater financial inclusion, particularly of women and girls, but also of migrants, in recognition of their contribution to development in countries of origin, transit and destination.

118. Mexico remained committed to promoting an effective and substantive High-level United Nations Conference on South-South Cooperation, which provided an exceptional opportunity to reflect on the role of South-South and triangular cooperation as a complement to traditional cooperation in the implementation of the 2030 Agenda.

119. Her Government was committed to disaster risk reduction as an integral part of sustainable development. Increasing resilience to natural hazards had a potential multiplier effect and could accelerate achievement of the Sustainable Development Goals.

120 Mexico supported the creation of an international cooperation architecture in which all countries participated according to their potential and competitive advantages and benefited in accordance with their needs.

121. **Mr. Rzheussky** (Belarus) said that while international trade was a universal policy tool and an engine for economic growth and poverty eradication, it must also be inclusive and open to all in the interests of achieving sustainable development. The recent improvement in the world economy was a good basis for progress towards achieving the Sustainable Development Goals but must become more widespread. The increasing number of unilateral trade measures and the rise in geopolitical tension created new challenges, making it particularly important to strengthen multilateralism. Global partnership was needed to achieve the Goals.

122. The trade and development analysis of UNCTAD and its exchange of lessons learned were more important than ever. Belarus fully supported the outcome document of the fourteenth session of UNCTAD. Known as the Nairobi Maafikiano, it gave greater attention to middle-income countries, which accounted for most of the world population, one third of global GDP and one quarter of exports and imports. It was time that the United Nations acknowledged those countries, and the upcoming high-level meeting of the General Assembly on middle-income countries could achieve a breakthrough in advancing their interests by doing so. That acknowledgement would also help the Organization develop a long-term strategy for middle-income countries because the 2030 Agenda could not be achieved without them.

123. Attaching great importance to the Eurasian Economic Union for regional economic integration, his Government was developing stable trade in the region while broadening trade with other partners. Belarus was also actively involved in negotiations for accession to WTO and believed that effective mechanisms were required to end unilateral economic coercive measures which had a counterproductive effect on the multilateral trading system. Only an inclusive trading system based on equality, mutual respect and transparency could help achieve the Sustainable Development Goals.

124. **Ms. Lora-Santos** (Philippines) said that the report of the Secretary-General on international trade and development (A/73/208) had posited that the integrity of the multilateral trading system was under threat, alongside the prospects for sustained global trade growth and the achievement of a comprehensive development agenda. With rising protectionist sentiments in several countries, the Philippines supported the multilateral trading system and the centrality of WTO as the cornerstone of open, predictable, rules-based, transparent trade and investment. Trade was important to economic development and countries should keep their markets open, especially for developing economies, by avoiding protectionist measures that disregarded WTO rules.

125. The report of the Secretary-General on external debt sustainability and development (A/73/108) recognized the prominence of those considerations in the Addis Ababa Action Agenda. At the global level, there was a need to reduce international financial vulnerabilities and continually differentiate between the financial risks of countries and regions. Country-level efforts to strengthen international cooperation had resulted in reduced risky lending, better bank capitalization and less asset overvaluation, but emerging risks and other vulnerabilities still required continuous monitoring because countries were more financially intertwined.

126. The Philippines ensured financing for the Sustainable Development Goals through the integration of the 2030 Agenda into the Philippine Development Plan 2017–2022, which guided budget appropriations. A long-term holistic financing strategy was required to maximize resource use in achieving the Goals. Her Government was currently undertaking a comprehensive tax reform, with some of the increased revenue earmarked for public health and education. The Philippine economy had been expanding and remained one of the fastest-growing in the region.

127. Her country was strengthening efforts to combat illicit financial flows and called for more substantive discussion and international cooperation in that regard. Developing countries needed greater participation in international economic decision-making. Global economic policymaking and global trade governance must be more consistent with the 2030 Agenda to meet current challenges.

The meeting rose at 1 p.m.