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Statement by
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This is the first meeting of the G-24 that I have the privilege to address as the United Nations Under-Secretary-General for Economic and Social Affairs. In this capacity, I am very pleased to reaffirm the strong commitment of the United Nations to working closely with the members of the G-24 to achieve a world free of poverty, hunger, disease and want, where all life can thrive.

World economic situation and prospects

The United Nations estimates that the world economy will grow by 2.9 per cent in 2017, a notable acceleration compared to 2016, helped by a rebound in world trade and a moderate revival in investment. World gross product growth is forecast to remain stable at 2.9 per cent in 2018. Growth in developing countries is expected to accelerate to 4.3 per cent in 2017, and 4.6 per cent in 2018. However, this stronger economic activity is not expected to be shared evenly across countries and regions. In many regions, growth is expected to remain below the levels needed for rapid progress towards achieving the Sustainable Development Goals (SDGs). Growth in Africa will likely remain subdued due to more severe headwinds than previously expected. Economic prospects in many of the least developed countries (LDCs) have deteriorated. Aggregate GDP for this group of countries is expected to rise by just 4.6 per cent in 2017 and 5.3 per cent in 2018; this remains well below the SDG target of "at least 7 per cent GDP growth" for these countries.

The more upbeat global economic sentiment suggests that risk aversion may have diminished in recent months. Nonetheless, in many areas policies remain uncertain, such as in world trade, immigration, and climate targets. The withdrawal of monetary stimulus in advanced countries can pose significant challenges to the global economy and financial markets. Developing countries remain vulnerable to bouts of heightened risk aversion, capital outflow and financial volatility. Rising interest rates will add to risks of debt distress in developing countries that have increased borrowing from financial markets and are already faced with high debt burdens.

Many of the challenges that countries face, including climate change and humanitarian crises, have cross-border repercussions, and cannot be addressed by any one actor alone. The Secretary-General of the United Nations has called for a renewed vision for multilateralism and the promotion of inclusive, equitable and sustainable globalization. These concepts are embedded in the pursuit of the SDGs and the implementation of the Addis Ababa Action Agenda on Financing for Development. Despite greater inward looking policies in some countries, renewed efforts are needed to ensure progress in key areas of global importance, including implementation of the Addis Ababa Action Agenda, which provides the financing framework underpinning the 2030 Agenda for Sustainable Development.

Financing for Development

The difficult global economic environment has constrained implementation of the Addis Agenda. Given the large financing requirements to achieve the SDGs, the Addis Agenda stresses that both public and private finance will be needed. However, the Addis Agenda and the 2017 report of the Inter-agency Task Force on Financing for Development both emphasise that public and private investments are not necessarily substitutable. Each has its own incentive structures, goals and mandates, which influence the appropriateness for different types of investment.

Domestic public resources, predominantly raised through taxation, are central to the pursuit of sustainable development. Developing countries can do more to improve their tax systems' fairness, transparency, efficiency and effectiveness, but these efforts must be complemented by international tax cooperation that is universal in approach and scope. Next week the new membership of the United Nations Committee of Experts on International Cooperation in Tax Matters is holding its inaugural session in Geneva, and I am gratified that the new group of experts is even more representative of the diversity of tax systems, levels of development and geographic regions than in the past, as well as moving much closer to gender parity. I encourage G-24 members to continue to increase their engagement with this important and inclusive norm-setting committee. I also encourage high-level participation of the G-24 members in the first global conference of the *Platform for Collaboration on Tax* in February 2018 in New York. Under the theme of "Taxation and the SDGs," the conference will take forward the global dialogue on the role of tax in achieving the SDGs and explore country insights and viewpoints on the challenges and opportunities ahead.

Scaled-up international development cooperation is needed to support the demands being placed on national budgets. Official development assistance (ODA) remains a vital source of finance for developing countries, especially the LDCs, and the United Nations will continue to call on developed countries to meet their ODA commitments. We must increase both concessional assistance to sustainable development and finance for emergency responses, leaving no one behind. As a complement to, and not a substitute for, ODA, South-South cooperation is making a positive development impact. The Development Cooperation Forum High-level Symposium, which I co-chaired with the Foreign Minister of Argentina last month in Buenos Aires, explored the contribution of South-South and triangular cooperation to sustainable development and climate change, and called for more inter-regional learning and collaboration. The second United Nations High-level Conference on South-South Cooperation will be held in Buenos Aires in March 2019 and aims to produce an action plan, in the spirit of the original Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries.

The Addis Agenda also emphasises the importance of multilateral development banks (MDBs), including the role of new development banks, and encourages multilateral development finance institutions to examine their roles, scale and functioning to be fully responsive to the sustainable development agenda. By making optimal use of their resources and balance sheets, the MDBs can invest greater volumes of resources in alignment with sustainable development, including by leveraging private finance. Developing country-led MDBs demonstrate the increased financial cooperation and knowledge sharing among developing countries, becoming important mechanisms of investment finance for sustainable development.

Achieving the SDGs will only be possible if private finance and investment are fully aligned with the 2030 Agenda. While a growing number of business and financial institutions are mainstreaming consideration of environmental and social impacts in decision making, most private investment will likely remain profit-oriented. Aligning private investment with the 2030 Agenda will thus require public policy and setting the right incentives, based on an understanding of how private markets operate. As a first step, it is important to incentivize greater long-term investment in sustainable development, which is particularly important in areas such as climate change where risks are long-term.

In sectors important for sustainable development, risk-sharing tools, such as public-private partnerships (PPPs) and blended finance, can be used to attract greater private investment, particularly for infrastructure. The appropriate capital structure of a project ultimately depends on national circumstances and preferences, levels of expertise and capacity constraints. The Addis Agenda recognizes both the potential and the challenges associated with blended finance and spells out principles that should guide policy making, including sharing risks and reward fairly, ensuring accountability and meeting environmental and social standards, as well as country ownership. Promoters of blended finance investments or PPPs are attracted by the characteristics of the proposed deal, rather than country priorities.

Environmental and social externalities not fully reflected in market prices pose a third obstacle to greater private investment. In these cases, it is the responsibility of policymakers to set the appropriate incentives, through targeted interventions, such as taxes and subsidies to change relative prices, or regulations and standards to guide investment behaviour.

The goal of debt sustainability has been one of the salient features of the Financing for Development process. Given the increased risk of debt distress, as mentioned above, urgent measures are required for durable solution to the debt problems of developing countries to promote their economic growth and sustainable development. The plight of middle-income countries in the Caribbean, which face a massive bill for reconstruction efforts on top of the human misery caused by the hurricanes, demonstrates the need for a more comprehensive framework for resolving potential situations of debt distress. More can be done to ensure the international architecture is designed to respond to such situations, which may occur with greater frequency in the future. State-contingent debt financing instruments can play a role, however, establishing investor confidence in these instruments remains a challenge. Public creditors should consider increasing the use of state-contingent instruments in their lending, building on existing experiences by some donors.

Human mobility fills critical gaps in the labour market and helps address the adverse effects of population ageing at destination. While the benefits of well-managed migration are widespread, much of today’s migration remains unsafe, disorderly and unregulated. The New York Declaration for Refugees and Migrants, including commitments to adopt a global compact for safe, orderly and regular migration and a global compact on refugees in 2018, presents a historic opportunity to implement well-managed migration policies, share burdens and responsibilities for hosting and assisting refugees more equitably, and improve global governance of migration in all its dimensions. I trust the G-24 finance ministers will engage constructively with their counter-parts in other parts of government to assist in the negotiation of a robust global compact on international migration that will protect the rights of migrants and contribute to sustainable development.

Reforming the international financial architecture

While important steps have been taken to reduce vulnerabilities in the international system and to increase the voice of developing countries, the Addis Agenda states that more needs to be done. As noted above, the world continues to face large and volatile capital flows, especially in the context of monetary policy normalisation in developed countries. Recent evidence suggests that macroeconomic fundamentals in emerging market economies tend to provide little insulation to sudden changes in financing conditions, and that real economy effects from "sudden stops" episodes have not declined in recent years. Recent experience confirms that the use of carefully calibrated capital account and macroprudential policy measures can play a role in reducing short-term vulnerability. On top of national measures, greater international macroeconomic coordination, including cooperation between capital flow source and destination countries, can help reduce the impact of spillovers and financial flow volatility.

Underpinning the current system of capital flows is the international monetary system based largely on a single national currency. The structure of the international reserve system creates imbalances, such as excessive global liquidity, and lopsided pressures for adjustment. Reforms to the international monetary system could help mitigate the risks and costs facing developing countries. A stronger role for the Special Drawing Rights (SDRs) or other international reserve asset can contribute to reforms that improve the functioning of the international monetary system. The United Nations has published proposals in this regard for consideration by Member States since the 2008 world financial and economic crisis.

Global economic governance in an increasingly interconnected world is of critical importance for the success of all national efforts for achieving sustainable development. It is important to broaden and strengthen the participation of developing countries in international economic decision-making and norm-setting. Reforms should deliver more effective, credible, accountable and legitimate institutions. The United Nations system stands ready to play a central role in global governance, and we will continue to provide relevant forums for promoting universal and holistic coherence and international commitments to financing and implementation of sustainable development.

UN reform and contributions to sustainable development

The 2030 Agenda represents a paradigm shift, and all international institutions need to reposition themselves to better support implementation of this agenda. The Secretary-General of the United Nations has recently announced a three-part strategy for enhancing the United Nations support to financing the 2030 Agenda.

As the first pillar, the UN system will work to ensure that that the 2030 Agenda objectives are fully reflected in international economic and financial policies, and in key inter-governmental platforms such as the G20. There is a pressing need to reorient financial regulation and policy-making towards our broader global goals.

Secondly, we have launched a process at the United Nations, under which we will become better coordinated, integrated and coherent at the country level with a focus on system-wide results in countries.

Thirdly, the Secretary-General will champion key international initiatives that can harness large-scale changes in financing and financial system development, such as in the fields of digitalization and climate finance.

The United Nations has launched a new Gender Parity strategy to ensure that our internal practices on gender equality and women's empowerment live up to the commitments on gender equality made as part of the 2030 Agenda and the Addis Ababa Action Agenda.

Finally, I wish to report that the 2017 ECOSOC Forum on Financing for Development follow-up, held last May, as well as the High Level Political Forum on Sustainable Development, held in July, both contributed to the global intergovernmental review of progress. Looking ahead, the Inter-agency Task Force on Financing for Development, which comprises over 50 entities from the UN system and beyond, including strong participation from the five major institutional stakeholders (the World Bank Group, IMF, WTO, UNCTAD and UNDP), has begun preparing its second annual assessment of progress in implementing the financing for development outcomes and the means of implementation of the SDGs. It will inform the 2018 FfD Forum, to be held from 23 to 26 April in New York, just a few days after the next G-24 ministerial meeting in Washington, DC. I strongly urge G-24 Finance Ministries and Central Bank Governors to consider participating in the FfD Forum, which will be preceded by a high-level meeting with the private sector, including major institutional investors, on 22 April in New York. These events will provide an inclusive platform for you to share your national experiences, present national investment priorities and discuss your countries economic prospects with each other and with investment managers.

Conclusion

The world is confronting many challenges but has seen many successes. The G-24 countries are the biggest contributors to economic growth and poverty reduction, as well as leading the way in the development of environmentally sustainable technologies. I look forward to continuing the close working relationship between the United Nations and your member countries as we implement the 2030 Agenda and the Addis Ababa Action Agenda.