



**GROUP OF 77 & CHINA
G E N E V A**

**Statement by Iraq on behalf of the Asia-Pacific Group
Intergovernmental Group of Experts on Financing for Development
Third session**

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Delivered by First Secretary/ Mahmoud Alatiyyah

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Mr. Chairman, Ambassador Mani Prasad BHATTARAI (Nepal)
Dr. Richard Kozul-Wright, Director of the, Division of Globalization and Development
Strategies
Excellences, Distinguished Colleagues,

I have the honour to deliver this statement on behalf of the Asia-Pacific Group. The Group would like to associate itself with the statement delivered by Ecuador on behalf of the Group of 77 & China. At the outset allow me, on behalf of Asia-Pacific Group, to congratulate His Excellency Ambassador Mani Prasad Bhattarai, Permanent Representative of Nepal and His Excellency Ambassador Pedro Pedroso, Permanent Representative of Cuba for their election as Chair and Vice-Chair cum-Rapporteur of this Session of the Intergovernmental Group of Experts on Financing for Development.

Also, I would like to thank Dr. Kozul-Wright for his elaborate presentation, and the Secretariat for organizing this important meeting and for the background documentation.

Mr. Chair,

One of the most important enabling factors for achieving the sustainable development goals is the provision of adequate financing on the national and international levels. This session is discussing the important topic of international development cooperation in financing development and interrelated systemic issues. The discussion of this issue is timely, after more than four years of the adoption of Addis Ababa plan of Action and the 2030 Agenda for Sustainable Development, and as we starting the process of preparation for the next UNCTAD'S Conference.

Mr. Chair,

Back in 2015 the Addis Ababa Agenda emphasized the “important role” that international public finance plays “in complementing the efforts of countries to mobilize public resources domestically, and expressed concern “that many countries still fall short of their

ODA commitments”. The background paper of UNCTAD indicates that this is still the case. Furthermore, the OECD Development Assistance Committee definition of ODA allows a significant portion of ODA to be spent in the donor country itself, such as housing for refugees, costs associated with their integration, and the cost of scholarships for students from developing countries studying in a donor country, while The long-standing problem of double-counting ODA funds has still not been resolved.

UNCTAD estimates that the average annual financing gap to achieve the Sustainable Development Goals amounted to approximately \$2.5 trillion per year for the period 2015–2030. The current trend of lack of adherence to ODA commitments by some countries is not helping bridging that gap.

We believe that the special challenges faced by middle-income developing countries, referred to in the Addis Ababa Agenda, in particular in regard to the eligibility criteria for access to concessional finance and the possibility that they “may not be able to access sufficient affordable financing from other sources to meet their needs” are still exist and need to be addressed on the international level.

Mr. Chair,

One other topic that this session is considering is the role of blended finance in financing development. While blended finance has the potential to be an important source of finance for development, the current trends are showing that it is not moving in the right direction. The background paper expresses doubt against the effectiveness of the blended finance, one major factor in this context is that the volume of the financial resources invested in blended finance is not adequate to address the need for achieving the SDGs, from \$26 billion to \$52 billion per year compare to annual financing gap in the region of \$2.5 trillion per year by UNCTAD estimate.

Furthermore, there are the issues of lack of clarity on the definition and the measurement of blended finance that create difficulties in assessing its impact on achievement of the sustainable development goals. We share the view expressed by the paper of the secretariat that there is a need for greater transparency and accountability relating to blended finance.

One other issue with regard to the blended finance is that it is not disrupted according to the need and level of development in deferent developing countries, The OECD data show that for the blended finance mobilized between 2012 and 2017, 43.1 per cent WAS ALLOCATED TO the upper-middle-income countries, followed by lower-middle-income countries with(28.5 per cent). The report also indicates that Less than 6 per cent of the blended finance flows measured between 2012 and 2017 have made their way to the least developed countries.

From a sectoral perspective, most blended finance goes towards energy, information and communications technology, and banking and finance. This should not come as a surprise as the private sector by nature seeks scoring higher return on its investment, while the projects connected to SDGs are often not fulfilling that target.

Mr. Chair,

On a more positive note, the South-South Cooperation in financing development provides a possible path to achieving SDGs. The Belt and Road initiative of China, now including over 100 developing countries, the initiative of India in approving nearly \$28 billion in concessional credits, are examples of what SSC can achieve. However, we reiterate that South–South cooperation remains a complement rather than a substitute for North–South international development cooperation and is not based on concessional development financing.

Mr. Chair,

Finally, The latest Trade and Development Report of UNCTAD focuses on the issue of financing for development and suggests a “Green New Deal” as a response to the current global economic and environmental challenges. We look forward to the discussions of this session and hope that it will help inform the decision making on the national and international levels.

I thank you Mr. Chair.