

ES Opening Speech to 24th RCM Meeting

22 October, Cairo, Egypt at the League of Arab States' Headquarters

Excellency, Mr. Ahmad Aboul Gheit, Secretary-General of the League of Arab States.

Mr. Mourad Wahba, Assistant Secretary-General, and Chair of the Regional United Nations Development Group.

United Nations and League of Arab States Colleagues,

Distinguished Guests.

Allow me to begin by expressing my outmost appreciation to the League of Arab States for hosting the 24th Meeting of the Regional Coordination Mechanism. The United Nations and the League of Arab States share the same goals and aspirations for the inclusive, equitable and sustainable development of the peoples and the countries of the Arab region, and I am proud of our long-standing history of collaboration. Holding the meeting here, at the home of the League of Arab States affords us the opportunity to engage collectively with the League of Arab States and its Subsidiary organizations to identify joint priorities and key interventions.

Financing for Development, the theme of today's meeting, is timely. Last month in New York, I attended the launch of the United Nations Secretary-General's new Strategy for Financing the 2030 Agenda for Sustainable Development. The Strategy highlights the need for development financing to be sustainable, and calls upon governments, international financial institutions and private financial markets to reduce the flow of resources directed to unsustainable uses **by shifting the structure of incentives, legislation and regulations.**

Specifically, the Strategy aims to accelerate progress in three key areas: 1) aligning global financial and economic policies with the 2030 Agenda; 2) enhancing sustainable financing strategies and investments at the regional and country levels, and; 3) seizing the potential of financial innovations, new technologies and digitization to provide equitable access to finance. Of particular interest to our gathering today is the domain of regional and national strategies and investments.

We know that the economic and financial outlook for the Arab region remains far below their potential. According to recent estimates by ESCWA, the financing gap for achieving sustainable development in the Arab region is widening. This gap is due not only to insufficient resources, but also to the fact that financial flows are not used in productive investments.

ESCWA has recently estimated that the Arab region's resources were enough to meet the shortfall in funding development. These resources, which include domestic as well as Foreign Direct Investments and Official Development Assistance entering the region, would make a

bigger positive difference if they were more effectively channeled to investments in sustainable development, such as developing the private sector, diversifying economies and boosting inclusive growth. In other words, the Arab region stands to benefit significantly from the kind of transformative shift that the Secretary-General is calling for.

Ladies and Gentlemen,

We have a key role to play in supporting our Member States to develop the necessary incentives, laws and regulations and to direct public as well as private investments to areas that support the achievement of the SDGs, with a focus on Leaving No One Behind. Today's meeting provides an opportunity to begin exploring how we can work together to make this happen.

We know that Arab countries stand to considerably increase their revenues from tax and subsidy reforms and from tackling illicit financial flows, such as those associated with tax evasion, illicit trade in small arms and antiques, and undeclared oil trade. Such revenue gains will make an important positive impact on the SDGs, especially if they are combined with predictable and targeted policies and regulations, strengthened public institutions and rule of law, and diversified and empowered domestic financial systems.

We also know that good governance and stable policies will create incentives for investors to shift from short-term investments to more sustainable long-term investments. We must find the best way to help governments put in place national integrated financing frameworks, which could serve as a tool not only for setting the sustainable, equitable and inclusive development priorities of the government, but also provide leadership for the private sector and international development cooperation partners.

We are fortunate today to have with us a number of special guests: Ms. Noha El-Mikawy from the Ford Foundation, Ms. Malak Draz and Mr. Ashish Khanna from the World Bank Group, Mr. Nedžad Ajanović from the Islamic Development Bank, Mr. Khaled Hanafi from the Union of Arab Chambers, Mr. Ali Awdeh from the Union of Arab Banks, and last but not least our colleague Mr. Navid Hanif from the United Nations Department of Economic and Social Affairs. Their presence here not only reinforces the commitment of their respective organization to Financing for Development principles, it also underscores the importance of partnerships and collective efforts required to address such a complex yet fundamental challenge.

I am confident that they will greatly enrich our discussions and bring their collective experience and add it to ours as we work together to identify what we need to do deliver on the expectations of our member States, and through them, the people of the region.

Once again, I would like to thank the League of Arab States and in particular His Excellency Mr. Ahmed Aboul-Gheit for his generous hospitality and for hosting this important gathering. I wish you fruitful deliberations and concrete outcomes.