



**Statement of H.E. Mr. Marcelo Cima
Ambassador Extraordinary and Plenipotentiary Permanent Representative of the Argentine
Republic to the UN Office on behalf of the Group of 77 and China in Geneva
at the Sixty-third Executive Session of the Trade and Development Board**

*Item 3 - Economic Development in Africa Report 2016: Debt Dynamics and Development Finance in Africa
Geneva, 27 September 2016*

Mr. President, Ambassador Alfredo Suescum (Panama),
Mr. Mukhisa Kituyi, Secretary-General of UNCTAD,
Directors,
Ambassadors,
Ladies and gentlemen,

1. At the outset allow me to thank the secretariat for producing once again excellent research in the form of the Economic Development in Africa Report (EDAR) and Trade and Development Report (TDR). Taken in combination, these reports provide valuable food for thought on how to best address some of the key development challenges that we face.

2. In the next few minutes I will address in a general manner agenda item 3. The Group will of course expand on these ideas during the relevant sessions in the coming days.

Mr. President,

3. The Economic Development in Africa Report (EDAR) of this year highlights the sad reality that the issue of debt persists, despite efforts in recent years to deal with the debt issue. Overcoming the debt issue now takes on added urgency in the broader context of development finance and the achievement of the 2030 Sustainable Development Agenda. Taken in combination with the TDR at this Executive Session, the EDAR report is important in terms of its implications for Africa, as well as for the broader community of developing countries.

4. One major implication is that debt financing is at risk given the shift from ODA to mobilizing domestic resources for development. One recent phenomenon was burden shifting from official assistance from the donor community to a call for the private sector, especially the domestic private sector, to step in and fill the resource gap.

5. The result has been an ambitious development agenda without neither the means to implement it nor the political will necessary for the systemic reforms needed for its success. The implications of this are significant.

6. First, for many African developing countries to undertake the policies and measures necessary to accomplish the ambitious development agenda they have signed up for will require greater mobilization of domestic resources which in many cases are insufficient to begin with. One recourse would be to resort to borrowing, which can have dangerous consequences given the fragility of the global economy and the consequent dangers of financial shocks.

7. Second, paradoxically, as some African LDCs graduate they will find that their success has a price, including losing access to facilities aimed at LDCs. One consequence of graduation that has yet to be adequately addressed is how newly-graduated LDCs can sustain their development while losing the benefits of being an LDC. This nexus between LDC concerns and middle-income challenges needs to be addressed more comprehensively.

8. Third, the EDAR also makes a compelling case for revisiting criteria to determine debt sustainability in order to have a more effective debt sustainability framework. UNCTAD does excellent work on debt and this is perhaps an area that we as the TDB have not given enough attention. We look forward to this discussion on debt in the context of Africa stimulating a broader intergovernmental discussion in the TDB on matters pertaining to debt and development.

9. One concrete way is for this issue to be addressed soon in the IGE on Financing for Development that we agreed to establish. The issue is of such importance that we should also give due consideration of giving the debt issue a higher profile in the regular session of the Trade and Development Board.

10. As for this Executive Session, we congratulate the secretariat for also including specific policy considerations in the EDAR. While we do not necessarily agree with all of them – we underline a special caution on the recommendation touching on diaspora remittances – they provide good food for thought and a good basis for a policy discussion among the member states. We look forward to an excellent discussion in that regard and to strong policy-oriented agreed conclusions that will serve as a meaningful contribution to the broader work of the UN on development.

Thank you very much.