

**Preparations for the 2014 Special High-Level Meeting of ECOSOC with the World Bank,
International Monetary Fund, WTO and UNCTAD
(ECOSOC Chamber, 14-15 April 2014)**

Concept Note

Background

The Economic and Social Council (ECOSOC) will hold its annual Special High-

1. World economic situation and prospects

Global growth subdued, but expected to improve in 2014-2015

global equity markets; a sharp decline of capital inflows to emerging economies; and a spike in the risk premia for external financing in emerging economies. Those first-round shocks in international financial markets could transmit quickly to the domestic real economic sectors of both developed and developing countries. Efforts are needed to enhance the supervision, regulation and surveillance of financial markets in order to identify and mitigate financial risks and vulnerabilities.

International development assistance

Latest aid figures from OECD-DAC countries show ODA decrease in real terms by 4 per cent in 2012 (0.29 per cent of their combined Growth national income compared to 0.31 per cent in 2011), marking the first time since 1996-97 that aid has fallen in two successive years. As the target date for the Millennium Development Goals (MDGs) is approaching, international donors should redouble their efforts to deliver on existing commitments.

2. Mobilization of financial resources and their effective use for sustainable development

Discussions in the context of the follow-up to Rio+20 have highlighted that needs for financing the social, economic and environmental dimensions of sustainable development are extremely large. Long-term financing will be essential for raising the resources required for a transition to a green economy and for promoting sustainable development. Nonetheless, estimated financing needs still represent a relatively small portion of global savings. Annual global savings are estimated to be around \$17 trillion, as of 2012, with global financial assets at around \$218 trillion, as of 2011. Although reallocating the pool of global financial assets would be challenging, re-investing a small percentage, say 3 to 5 per cent, of this investment in sustainable development could have an enormous impact. Yet, to date, the international financial system has failed to adequately allocate resources for long-term sustainable development needs. The challenge lies in promoting a financial system that incentivizes such a reallocation.

Pursuant to the outcome document of the UN Conference on Sustainable Development (Rio+20), the UN General Assembly decided to establish an Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF) to prepare a report proposing options on an

Cluster 1: Assessing financing needs, mapping of current flows and emerging trends, and the impact of domestic and international environments;

Cluster 2: Mobilization of resources and their effective use;

Cluster 3: Institutional arrangements, policy coherence, synergies and governance issues.

The key messages of the recent deliberations of the Committee are as follows:

Financing needs for development are very large, and global savings, while significant, are not currently being allocated sufficiently toward global sustainable development.

The Monterrey Consensus and Doha Declaration on Financing for Development provide a conceptual basis for a comprehensive financing framework, keeping in mind lessons learnt, current trends, new issues and emerging challenges, and the sustainable development agenda.

All types of financing flows are necessary, including public, private, international and

the SDGs. From financing for sustainable development,

sessions may include high-level expert presentations to kick-off the debate, followed by an interactive discussion. In addition, there may be special presentations by senior staff of participating institutions. On the second day (15 April), the half-a-day session may focus on the way forward, in the form of a multi-stakeholder dialogue with presentations from representatives of civil society and the private sector. Closing remarks by the President of ECOSOC would conclude the meeting.

A renewed effort will be made to promote strict adherence to meeting schedules and time limits for interventions, in order to stimulate more interactive dialogue in the informal thematic debates among all participants, including representatives of civil society and the business sector.

Outcome

The meeting will conclude with a closing statement by the President of ECOSOC highlighting the main points of the discussions and specific proposals or ideas leading to action-oriented