

STATEMENT BY SOUTH AFRICA ON HLPF PROGRAMME ITEM: “Investing in the future we want: what will it require?” Thursday, 2 July 2015 11:30 – 13:00

Mr Moderator, thank you for the opportunity to share a few thoughts on this important topic in our national capacity. In September 2015, Member States are expected to adopt a post-2015 development agenda that aims to end poverty in all forms everywhere by 2030 and implement the three dimensions of sustainable development in a balanced manner. Achieving a truly transformative post-2015 UN development agenda will require a comprehensive approach and strategies to mobilize all the required means of implementation. In Agenda 21, reference is made to seven possible means of implementation, ranging from finance to science for sustainable development. The Johannesburg Plan of Implementation (JPOI) also defined a broad mix of means of implementation, ranging from education to data collection. Renewed commitment to invest in all the means of implementation is required.

The outcome document of Rio+20, “The Future We Want”, specifically highlights the need for the extensive mobilisation of resources, “from a variety of sources”, in support of the efforts of developing countries to implement the SDGs. The Rio Principles of Common But Differentiated Responsibilities (CBDR), along with Equity and the Right to Development, remain valid and relevant in ensuring the mobilization of the necessary means of implementation to achieve the future we want as the international community.

Mr Moderator, you mentioned the large global funding gap for development. ODA should not be redefined as a way of eroding past commitments by developed countries. In South Africa, a recent study undertaken by the National Treasury examined the concessionality of loans offered to South Africa as part of ODA funding. It was found that the sum effect of the terms and conditions of the majority of loans were not, in fact, concessional; and were in some cases worse than finance available from commercial banks. This phenomenon illustrates the need to continue with the existing definition of ODA to assist developing countries to invest in the future we want.

This also requires targeted investment in technology, innovation and capacity building as multidimensional enablers for achieving the SDGs, including key areas for Africa such as industrialization, agriculture, energy, education, health, ICT, and water. The outstanding commitment in the Rio+20 Outcome to “Implement measures to promote, facilitate and finance access to and the development, transfer and diffusion of environmentally sound technologies and corresponding know-how to developing countries, on favourable terms, including on concessional and preferential terms, as mutually agreed” must be implemented by developed countries. South Africa also supports the establishment of a technology facilitation mechanism to promote access to affordable new technologies for developing countries.

In terms of domestic resource mobilisation, Dr Lingnau and Mr Prato highlighted the need for better multilateral cooperation on tax. A report published by the AU High-level Panel on Illicit Financial Flows led by former President Thabo Mbeki of South Africa estimates that Africa loses up to US\$50 billion per year in illicit financial flows to developed countries, resulting in drainage of foreign reserves, reduced tax collection, cancellation of investment inflows and

increased poverty. This represents a significant obstacle and threat to African countries to invest in the future we want.