

UNITED NATIONS



NATIONS UNIES

DRAFT 1 June 2010 10.30 am

THE DEPUTY SECRETARY-GENERAL

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**REMARKS TO INFORMAL EVENT
ON INNOVATIVE SOURCES OF DEVELOPMENT FINANCE
New York, 3 June 2010**

Mr. Douste-Blazy,
Excellencies,
Ladies and gentlemen,

Welcome to today's event.

We are here to take stock of progress, and to explore new initiatives to mobilize financing for the Millennium Development Goals.

Traditional sources of funding, such as official development assistance, remain vital, especially in the poorest countries. But as we all know, there is a serious shortfall in meeting existing targets and long-standing commitments.

With only five years left until the target date of 2015, we must close the funding gap.

At the MDG Summit here in New York in September, we aim to agree on a practical plan to accelerate progress toward the goals. Success depends heavily on mobilizing resources and political will. I hope today's meeting will generate the momentum and commitment we need.

Ladies and gentlemen,

First, let us assess progress so far.

Since the 2002 Monterrey Consensus, developed and developing countries have proposed new financing arrangements based on a better understanding of the challenges and risks faced by developing countries.

The Leading Group on Innovative Financing for Development has brought together some 60 developed and developing countries, many international agencies and non-governmental organizations.

A common feature of these new arrangements is that they aim at very specific, concrete results, and guarantee more stable and predictable funding. Several have moved from discussion to reality, including three major health-related initiatives that have generated sizable income.

The UNITAID drug purchase facility, funded through levies and voluntary solidarity contributions on airline tickets, has raised more than one billion dollars to scale up access to life-saving treatments for HIV/AIDS, tuberculosis and malaria.

The International Finance Facility for Immunization has raised more than two billion dollars on the international capital markets, through the issuance of floating bonds.

And the GAVI Alliance has made it possible to implement the Advance Market Commitments initiative for pneumococcal and other vaccines.

The World Bank estimates that innovative fundraising generated 57.1 billion dollars in official flows between 2000 and 2008. Of this, alternative sources of concessional flows, including solidarity levies and contributions, accounted for 11.7 billion dollars.

Our challenge now is to build on this progress, and fill the funding gaps we have identified.

New initiatives have tended to focus on the health-related MDGs. But innovative sources of development finance have great potential to address education, climate change adaptation and mitigation, and other pressing development challenges.

Proposals under consideration include a tax on international financial transactions; carbon and other environmental taxes; and various forms of international tax cooperation.

We must identify the most useful and realistic, and move quickly towards implementation.

Ladies and gentlemen,

We must take advantage of the creativity that has been unleashed in this important new area of development assistance.

Business, civil society and the world public have demonstrated their support for these efforts and are ready to take them further.

This means increasing their scale, and applying them to a broader area of our development agenda.

This, in turn, will require more technical expertise and greater political efforts.

The United Nations system has an important role to play: as a catalyst for new ideas, a forum for consensus-building, and an agent for implementation.

I hope today's meeting will provide a strong impetus behind this very promising and much-needed endeavour.

I wish you a productive discussion.

