



**PERMANENT MISSION OF THE ARAB REPUBLIC OF EGYPT
TO THE UNITED NATIONS**

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The Permanent Mission of the Arab Republic of Egypt to the United Nations presents its compliments to the Permanent Mission of Guyana to the United Nations and to the Permanent Mission of Norway to the United Nations, Co-Facilitators for the preparatory process of the Third International Conference on Financing for Development, and has the honour to send Egypt's remarks regarding the First Drafting Session of the Informal meetings of the Plenary as part of the Preparatory process for the Third International Conference on Financing and Development.

The Permanent Mission of the Arab Republic of Egypt to the United Nations avails itself of this opportunity to renew to the Co-Facilitators for the preparatory process of the Third International Conference on Financing for Development the assurance of its highest consideration.

24 February 2015

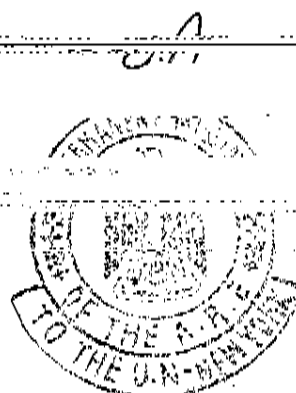
H. E. Ambassador George Tolkat, Permanent Mission of Guyana

H. E. Ambassador Geir Pedersen, Permanent Mission of Norway

Co-facilitators for the preparatory process
of the Third International Conference
on Financing for Development

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Egypt Position regarding the issues raised during the

First Drafting Session of the Joint Working Group

on the Priority of the Difference in Financing for Development

January 28-30, 2015

General Remarks

1. The zero draft should be structured on the chapters of Monterrey. Thus, by allocating separate chapters for Private Financing, we miss the spirit of

corporate tax, enhance tax administration and rationalize public spending.

3. Official Development Assistance ODA will play a central role, and remain indispensable in financing and implementing sustainable development. Thus, my delegation calls for the fulfilment of the 0.7% of GNI target bearing in mind that such funds are highly demanded to support sustainable

rather through an open and transparent process that allows an exchange of views from both donors and recipients.

5. The characteristics and nature of Private Financing are an impediment to the demand side of sustainable development, along with the lack of knowledge and appropriate schemes to attract such resources to sustainable health care, or contemplate and how the drop in global oil prices will reflect on the direction of Private Financing towards Renewable Energy and Recycling projects.

6. Further consideration must be provided for the categorization of remittances as sources of private finance due to their nature and characteristics, the majority of remittances are sent from the home of families and address vulnerabilities associated with the increased prices of

commodities and decreasing levels of subsidies in developing countries

of global economic governance to improve the function, stability and resilience of international financial institutions

9. The Elements paper does not expressly address the issue of excessive debt

Committee on Debt Restructuring Mechanisms. The paper also requires
further investigation into the international

combating Illicit Flows of Funds and repatriation of stolen assets. The paper
also provides a proposal on the establishment of a dedicated follow-up
mechanism to track G20 commitments. I would ask your indulgence in
providing further clarifications in this regard, taking into account its
convergence and or divergence with the High Level Political Forum.

On Domestic Resource Financing

1. The role of domestic resources in financing sustainable development has

been recognized. Effort has taken to improve tax administration and financial management policies to support better

which we think is beneficial but one that requires further emphasis on supporting the enhancement of domestic capabilities and the

adopting such taxes with the availability of environmentally sound

3. Discussions on domestic resources should not happen in isolation of the

discussions of the need for financial reform also happen in isolation or are used to address the systemic issues that hinder developing countries ability to access international finance

bridges estimates IFF from Africa at 50 billion dollars these funds are not

more concrete commitments must be adopted in the report. Furthermore international cooperation in the area of repatriation of stolen assets remains to be an elusive target a more facilitated approach must be adopted by the

On Private Financing

1. The over emphasis on remittances neglects its nature and characteristics that is highlighted in any analysis of its uses of funds. The majority of remittances simply cover the basic needs of families in the recipient countries, by financing food and normal purchases, and as the level of subsidies provided decrease and the increase in commodity prices, it means little is left for investments.

2. The reduction of the cost of transfers needs to also tackle the challenges associated with transfers and also the need to address systemic issues specifically the issue of ratings, which negatively impact countries ability to reduce costs. Remittances are not a silver bullet. In these difficult times, it is not that in concentration on the front end, the effort driven private investments will more likely be able to invest in a power generation project or a transport project. But it will find it hard to invest in areas like healthcare for example, or actually engage in a renewable energy project as oil prices plunge, all are factors that highlight the role of public financing.

4. The world has not yet accumulated enough knowledge on how to further develop mechanisms and tools to support private financing, with PPPs experiences in some European countries showing that this business model has negatively impacted sovereign ratings at times of crisis.

In International Finance Issues and

1. Official Development Assistance ODA will play a central role, and remain indispensable in financing and implementing sustainable development as highlighted in the report of the Intergovernmental Committee of Experts on Sustainable Development Financing, and we call for the fulfillment of international commitments in this regard, bearing in mind that ODA

under conflict, as well as Middle Income Countries where three quarters of the world's poor currently reside

2. We also believe if we are to provide the necessary Means of Implementation for a transformative and ambitious post 2015 development, we should consider increasing ODA commitments to 1.0% of GNI to match the nature of the agenda.

3. We reaffirm that Climate Change financing should be included in ODA budgets as agreed within the framework of the Doha Development Agenda

needed support on issues such as technical cooperation, among other things

4. South-South cooperation is not a substitute for North-South cooperation

5. Any effort to redefine ODA and its indicators must not be done in silo but rather through an open and transparent process that allows an exchange of views from both donors and recipients, such ideas cannot be included in the zero draft without having gone through serious consideration by member states and allowed for a transparent exchange of views between donors and recipients.

6. Ideas of carbon taxes and transport taxes bring more divergence than convergence. Carbon taxes negatively impact international trade reducing competitiveness in export oriented countries. Carbon taxes have been discussed following the establishment and operationalization of a clean technology transfer mechanism. Transport taxes not only affect competitiveness but also increase the cost of food imports in Net Food Importing Countries, there are also difficulties of who collects this tax, my delegation would propose the consideration of imposing a tax on financial transactions which is easier to collect and will bring more revenue.

~~On Monitoring, Data and Follow Up~~ ~~On Monitoring, Data and Follow Up~~

1. There seems to be a mix with regards to the role of the Statistical Commission in assessing the adequacy of international statistics related to FfD, while the same commission is currently undergoing discussions on a matrix for indicators that does not include indicators for goal 17 up until now. This needs to be addressed in line our goal of achieving coherence between the Post 2015 process and the FfD. The proposal to request business forums to report on their members' implementation of FfD commitments, which we have not been detailed here and our groups is working on the basis of the Strengthened Global Partnership.
2. The proposals contained in the Elements-paper on the establishment of a dedicated intergovernmental or expert level organization FfD commitments, and the complementarity and integration of the FfD follow up mechanisms with other related process, and convergences and divergences with the role of HLPPF.