



TECHNICAL GROUP MEETING

September 5-6, 2014

Cairo, Egypt

CLOSING REMARKS BY CHAIR OF DEPUTIES MR. KARIM WISSA

Colleagues: We have had two extremely fruitful days.

The tone and goals of the meeting were set by the Chair of the Group, Dr. Naglaa El-Ehwany, in her opening remarks. She noted that the global economy is likely to be less favourable than in the past. Against this backdrop, she stressed the need to raise investment in both social and physical infrastructure in order to meet development aspirations and fill enormous gaps. At the same time, it will be essential to raise the quality of long-term growth, to ensure growth that translates into job creation and shared prosperity.

The two topics of our meeting were therefore highly relevant and timely: financing for development and growth and inequality. The Secretariat will prepare and circulate a full summary of our discussions, but let me offer some initial thoughts by way of conclusion.

On financing for development which was the main focus of our meeting, we took stock of the global deliberations and also benefited from regional perspectives from all our regions.

Let me acknowledge in particular the presentation made by Mr. Mansur Muhtar on the Report of the Intergovernmental Committee of Experts on Sustainable Development Financing. The report provides an excellent basis for dialogue on the key challenges and needed policy responses in our countries and the basis for us to identify shared priorities for collective action. We have also been well served by the collaborative work program of the Secretariat.

The first theme that emerged is the need to rethink the role of the State and to strengthen the foundations of public finance tailored to our particular country circumstances. There is significant potential for deepening our conversation and knowledge sharing on the content and design of fiscal reforms. Several of our countries are embarked on major reforms and their experience and learning can benefit us all.

Another theme that emerged from all of the discussions is the critical importance of infrastructure. As we discussed, the challenges extend well beyond finance. There is a need to strengthen policy and institutional arrangements including for project preparation. Another area where there is great scope for shared learning is how to approach and develop capacity to undertake PPPs. What also came out of the discussions is the immensity of infrastructure requirements in all the regions and the need to close the financing gap through a combination of financing mechanisms. In particular there is a need to strengthen development banks at the national, regional and global levels. In that regard, some of the new initiatives such as the BRICS New Development Bank, Africa 50/50 and the Global Infrastructure could make an important contribution but there is also a potential for unproductive fragmentation and overlap. For us as a Group we need to assess these initiatives and engage proactively to ensure that they can

serve our collective interest.

We also recognized, as underscored by Minister Saidi, the importance of strengthening domestic financial markets to promote greater recycling of our own savings.

Last but not least the G24 should continue to press for the delivery of aid commitments and seek to increase their leverage.

Yesterday a number of us underscored the importance of making progress on the systemic issues such as tax cooperation, a proper framework for debt resolution, international monetary system reform and tackling the continued imbalance in the governance of the IFIs. These are difficult issues with differences of views even amongst us. But we should not shy away from promoting more work and discussion on these issues. One immediate issue is the Argentina case and the need for us to show strong solidarity with Argentina, not only for Argentina but because of the systemic importance of the case.

This morning we also had an important discussion on the widespread challenge of growth and inequality. The work of the IMF shows how much the established views have shifted with regard to inequality and redistributive policies. The challenge now is to design approaches that deliver redistribution and social protection most effectively. In that regard, the case of Egypt demonstrates the difficult challenges that many of our countries face and the payoff from well designed policy reform.

With these brief reflections, I would like to bring this meeting to a close.

Thank you all for your participation and contributions to this very valuable meeting.