Statement by

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France
The year 2015 marks a major step in the history of development in terms of objectives, resources and framework. The new Sustainable Development Goals (SDGs) will be adopted in September at the United Nations, after the Parties have reviewed the financing issue for development in Addis Ababa in July. Finally, at the 21st Conference of the Parties on Climate Change being held in Paris next December, governments will have to reach a universal and ambitious agreement that will put us back on track to limiting the rise in the Earth’s temperature to 2°C.

The Sustainable Development Goals which will build upon the Millennium Development Goals give the measure of the change of scale we are facing today.

Our task here is to define a vision of development. What world do we want ten, twenty, or thirty years from now? How do we eradicate extreme poverty and hunger, ensure universal access to basic services, meet young people’s expectations, or reduce infant mortality? This vision needs to be adapted to a world where peoples’ economies and States are interlinked, where the life styles of one group impacts the lives of others. That is why the new sustainable development agenda must be universal; it must be applicable to all, irrespective of their level of development. That is also why all public policies must be re-examined in light of shared and ambitious goals for preserving the planet.

While there are high hopes of significantly reducing extreme world poverty in the decades ahead, we still face the challenge of poverty and widening inequality. There is a risk that by 2030 a number of SDGs will not have been met in the most vulnerable or conflict-ridden regions. Remember that in 2015, 400 million people in extreme poverty—the same number as twenty-five years ago—are living in these countries. They represent one-half of people living on less than a dollar and twenty-five cents a day in the world. Furthermore, the forecasts indicate that this proportion could nearly double by 2030. To reach the objectives that President Kim has set for the Group, we therefore need to concentrate on the causes of this vulnerability and on how to mitigate them. For this reason, France is especially attentive to how the World Bank develops, finances, and implements projects in vulnerable situations that require specially trained and motivated high-level staff.

The development of infrastructure that is robust and resilient—particularly with regard to the effects of climate disruption—is a vital prerequisite for the lasting reduction of extreme poverty in the poorest countries and for sustainable and inclusive development. It is therefore essential to increase investments for this purpose. In addition, beyond the actual number of projects and associated initiatives, I wish to emphasize the qualitative dimension: in terms of their design, selection, implementation, and later maintenance, these infrastructure projects must meet the highest standards of quality and sustainability, if we don’t want the fruit of all our efforts to go to waste. I believe Multilateral Banks have a crucial role to play here, and I invite the World Bank, in particular, to continue its work to improve infrastructure quality and sustainability—including in the lowest-income countries.
More generally, the requirements imposed by climate-change risks and environmental deterioration must be taken into account by all stakeholders, both public and private, all over the world. This is no longer an option or a luxury. Only when these requirements are recognized by all can our development objectives be achieved and made into a long-lasting success. I am convinced that this year’s major meetings will offer the international community the opportunity to show that it has risen to the challenge—and France will be fully committed to reaching that goal.

**Attaining the future SDGs is a challenge of unprecedented ambition, which will require the rallying of all available funding sources.** The question we face is how to make all financing sources contribute to the fulfillment of our development objectives. How do we move from billions to trillions? How should we rely on conventional official development assistance to ensure that all financial sources—both public and private, national and international—will contribute to sustainable development?

Three aspects should be emphasized. First, the systematic search for better cooperation between all development stakeholders will be essential. Here, I welcome the cooperation between the Multilateral Development Banks and the International Monetary Fund that has resulted in the report submitted to our Committee. I expect this cooperation to extend to all financial institutions involved in sustainable development. The challenges that await us will require harmonization of our practices involving, principally, accountability frameworks, the effective linkage between all the resources implemented by stakeholders and the incorporation of climate concerns into donor practices.

Secondly, although the relative share of ODA is falling, it will continue to play an essential role, especially in the least advanced and low-income countries, for the reasons I mentioned earlier. It is true that ODA now represents just a few percentage points of international financial flows to the major emerging countries. However, it remains a crucial source of funds for the poorest and least advanced countries. And it’s precisely because ODA, which totalled some 130 billion dollars in 2014, is—in absolute terms—a “scarce” resource that we must use it effectively, in places where our support can be decisive.

Lastly, the use of concessionary resources must be dictated by three sets of principles: first, the search for catalytic effects and leverage when appropriate; second, the adjustment of loan costs to country development levels, taking into account the sustainability of the country’s debt and of the type of project funded; and third, transparency, for it is important—and in the interest of recipient countries themselves—that all donors should apply stringent rules as well as socially and environmentally responsible standards, and that everyone should have access to adequate information on these rules and standards and on the projects implemented.

**Having set out these principles, we must define a realistic and robust strategy for turning official funds for sustainable development and for reducing inequality “from billions to trillions.”** It’s especially important for us to focus our concessionary resources on situations where they will have the greatest impact, and for us to build the three basic pillars of action.

- **The first pillar is the leveraging of domestic resources by the developing countries themselves.** Tax revenues represent an average 34% of GDP in OECD countries but only 17% in developing countries. This is a major priority in order to establish viable healthcare or education systems, for example.

- **The second pillar is the involvement of the private sector.** The basic issue here is the allocation of existing savings and resources, and we must ensure that the developing countries will have greater access tomorrow to the opportunities offered by market globalization and linkages. We must also improve our support to the private sector in the
quest for new business models that will improve its local impact. Lastly, remittances by migrants can make a decisive contribution to sustainable development. We must find ways to catalyse the impact of these investments.

- The third pillar is the action of financial institutions—in particular the Multilateral Development Banks—which is crucial for funding sustainable development. Let me emphasize once again: their mandate for inclusive and sustainable development can be fully implemented only through the search for linkages between the reduction of poverty, economic development, environmental protection, and climate resilience.

The keystone of this structure will be the coordination with all stakeholders: the private sector, central governments, and local authorities. Local players, in particular, must be recognised as key stakeholders in the new partnership that we need to establish.

The World Bank Group has major financial and technical resources at its disposal, but perhaps an even greater capacity for innovation and inventiveness. I know we can rely on the Bank to propose innovative mechanisms and instruments for making better use of the resources that have been entrusted to it—in keeping with the principles I have mentioned—and to present its members with clear, detailed, and ambitious proposals for this purpose. France will ensure that these proposals—especially if they concern the use of concessionary funds—will, above all else, generate substantial and real benefits for the poorest countries, which is where extreme poverty will be concentrated in the years ahead. France will also be seeking to ensure that the proposals are based on a financial model that is both robust and transparent for contributors.