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## **Deputy Secretary-General's remarks to the First Annual Session of the Peacebuilding Commission**

I am honoured to open this first Annual Session of the Peacebuilding Commission on Peacebuilding Day. I thank our Chair, Ambassador Patriota, and the Peacebuilding Support Office led by Judy Cheng-Hopkins for their important work. I am gratified that your Ambassador has accepted the leadership of PBC at this crucial juncture.

I am also glad to welcome Special Representative Ramos-Horta. I want to express my appreciation of your positive efforts in Guinea Bissau. It is in the field we have to succeed. I commend you for not only working in the capital but also out in the towns and villages in the country.

I had the privilege as President of the General Assembly of playing a part in the negotiations on the PBC's establishment in December 2005. It was not an easy process – but after travelling a rather difficult road, it is all the more rewarding to see that we are making steady progress.

In 2005, the Secretary-General pointed out that we needed the Peacebuilding Commission to fill what he called a “gaping hole”. It referred to the lack in the UN of an institutional mechanism to help countries transition from war to peace.

The Commission was strongly needed to sustain international attention beyond the moment of acute crisis. We envisaged it as a way to enhance the coherence of the international community's response. We also knew the PBC would have to marshal resources to assist countries in need.

At the time, I said that the Peacebuilding Commission would offer a real chance to make a difference in years to come for a great number of men, women and children in conflict-stricken countries.

We have seen positive results thanks to the commitment and generosity of you, the Member States, combined with the creativity and professionalism of our staff at Headquarters and on the ground.

For years, the Peacebuilding Commission has operated with a very valuable country-specific approach. This Annual Session provides us with the first-ever chance to build on this important country-based work by addressing wider themes.

These thematic discussions can help galvanize international support and refine the policy frameworks so that they are more directly supportive of countries emerging from conflict.

The Peacebuilding Commission is well-placed to identify gaps with its advisory role as a subsidiary organ of both the General Assembly and the Security Council.

I count on you to carry forward the results of our discussions today to these and other intergovernmental bodies.

The Peacebuilding Commission's performance will be measured in part by its ability to launch and influence global policy-making processes. This annual session is timely as we look ahead to the 2015 review of the peacebuilding architecture. That review will represent an important opportunity to develop the work of the Peacebuilding Commission, as well as the Peacebuilding Fund and the Peacebuilding Support Office.

Countries emerging from conflict desperately need financial resources and political support.

The fighting may have stopped but scars from the conflict and public mistrust often continue to be felt.

It is important that countries maintain or restore people's faith in the legitimacy of the State and in a peaceful road ahead.

This requires that governments work to ensure that public services are delivered equitably. It means that safe water, proper sanitation, health care, justice, education, and other services become realities or, at least, achievable goals for the people.

International aid is, of course, necessary in many situations. But it rarely helps build a new social contract. It can also weaken national ownership. The best way to assist countries going through post-conflict transition is to help them generate their own resources and capacities.

This is no easy task. In countries recovering from violent conflict, infrastructure is often destroyed, many professionals have left the country. Former fighters are often jobless. In most cases, you would be hard-pressed to find normally functioning economic activity in the ashes of war. War-ravaged societies, for instance, very often lack the capacity to generate domestic revenues through taxation.

There are encouraging examples of success. Rwanda and Burundi both emerged from severe conflicts and managed to develop their tax administrations and devise effective tax policies. As a result, tax evasion and corruption have declined and revenues from taxation have significantly increased. The increased income as well as stronger institutions have in turn reinforced the state-building process.

But mobilizing domestic resources is hampered by illicit financial flows, which in recent years cost developing countries almost a trillion dollars. That figure represents double the amount of foreign direct investment and more than six times the official development assistance they received. Africa is particularly affected, with illicit outflows amounting to 6 per cent of GDP, as former President Thabo Mbeki has recently documented.

The effects are hugely damaging.

Badly wounded nations are deprived of significant resources that could otherwise be used for investment in decent life for their citizens. This can lead to a vicious cycle – where weak institutions make possible large-scale illicit transfers of money, which in turn destabilize and undermine institutional structures.

To confront the problem, we need international cooperation and new frameworks on financial transparency. But above all, breaking this vicious cycle demands strong leadership and well-functioning national governance.

I encourage the members of the Peacebuilding Commission to consider their role and contributions in this regard in the entire course of the transition of post-conflict countries.

In closing, I would briefly highlight three concrete areas.

First, Member States should support the development of capacities and institutions that enable post-conflict countries to raise their own revenues.

Second, Member States should fight illicit flows by supporting action on the basis of existing agreements or through regulations on corruption, bribery and sharing of tax information. Member States should also consider developing additional effective policies to eliminate illicit financial flows.

Third, Member States should ensure predictable and more stable support to post-conflict countries to facilitate ongoing transitions. This includes cases where the UN's engagement itself changes from a mission to a Country Team presence.

When UN missions close, the Peacebuilding Fund can help ameliorate what is sometimes called the “financing cliff”. We have seen its success in Sierra Leone and elsewhere.

The Fund has its annual Stakeholders meeting tomorrow. I encourage Member States to attend this meeting and to support the Fund generously.

Earlier this year, many of us took part in a Security Council session on peacebuilding.

At the time, Ambassador Patriota emphasized the importance of inclusivity and participation.

He pointed out that, while women and young people endure the tragic consequences of violent conflicts, “they are also the main agents for societal transformation and emancipation in post-conflict societies.”

Let us remember, in all of our deliberations today, that our peacebuilding efforts are to be centred on people. It is they who have the aspirations but also the power to bring lasting recovery and stability to their countries.

Thank you.