

Key elements for EU comments on issues addressed during the Third Substantive Informal Session of the preparatory process for the Third Financing for Development Conference,

9-12 Dec. 2014

09/12/2014 Session on 'Enabling and conducive policy environment'

1. Context

- The post-2015 agenda is based on the principle of universality. Implementation is a shared responsibility and requires actions by all parties involved.
- The global partnership should set out the full package of policy measures to create the national and international enabling environment for mobilisation and effective use of all resources while acknowledging that a functioning multilateral and financial system contributes to the framework for the implementation of the SDGs.
- Countries' domestic environments, in terms of policies, practices, institutions and resources, are central to successful implementation of the post-2015 agenda. All governments in consultation with their citizens will need to decide how they will contribute to the achievement of the goals and targets, keeping in mind the need to reach out to all members of society including the most vulnerable. Gender equality should be at the heart of the process.
- Discussion of non-financial factors should complement and be consistent with our approach to financial issues, building on the first and second conferences on Financing for Development and the report of the Intergovernmental Committee of Experts on Sustainable Development Financing.

2. Overall issues on the session on 'Enabling and conducive policy environment'

- All countries able to help should support each other in building capacity to create a conducive national and international policy environment.
- Policy coherence for sustainable development is central to implementation of the agenda. All policies at national level need to contribute to the achievement of the SDGs both domestically and internationally, they need to be consistent with and not undermine national objectives for poverty reduction and sustainable development. This requires systems for coordination, analysis, dialogue between stakeholders, monitoring and review.
- The EU strongly supports the development and strengthening of enabling policy environments both within the EU and in other countries. It will continue to support countries, including those in situations of fragility, to establish functioning and accountable institutions that deliver basic services and support poverty reduction and sustainable development. Through capacity-building and exchange of knowledge, the EU is helping partner countries in their efforts to strengthen their regulatory frameworks. The EU will encourage the application of policy coherence for sustainable development with its development cooperation partners. It could also consider ways to build capacity for policy development, resource mobilisation and management, including systems for tax administration, public procurement and for promoting a rights-based approach encompassing all human rights. The EU is actively engaged in many international agreements and will look for opportunities to extend and strengthen them, as well as improve integration

and coordination between them. At international level, the exchange of experience and good practice, the development of tools and guidance documents, and the defining of international level procurement criteria, will help the diffusion and take-up of sustainable procurement in national contexts.

- Based on the principles of shared responsibility, mutual accountability and respective capacity, the global partnership should encompass the full range of necessary sub-national, national, regional and international efforts required to implement the post-2015 framework for all countries. Countries at all stages of development must shoulder their share of responsibility for global well-being through the protection of global public goods and the creation of structural framework conditions that are conducive to sustainable development, taking account of country contexts and national circumstances.
- The private sector creates, in many cases, the majority of the jobs making it the primary source of income generation and livelihoods. The private sector resource flows, innovations and expertise constitute foundation for transformative approaches to sustainable development. Unlocking the private sector's potential, acting upon the principles of responsibility in their own business operations, for creating decent employment and opportunities for entrepreneurship and proving innovative solutions for global development challenges is decisive for the increased welfare of the people.
- The involvement of civil society is also important. for grassroots involvement of the people and acting as voice of the marginalized and excluded people.

3. Key points on specific issues

i) International monetary and financial system: regulations to balance access to credit with financial market stability

- At the core of public policies are effective fiscal policies which ensure that necessary resources are mobilised and are effectively spent in accordance with agreed development objectives and in an environment of macro-economic stability. Governments need to promote growth which is sustainable, inclusive and benefits all members of society, including the marginal and excluded. Initiatives which can help in this regard include reforming or eliminating harmful subsidies. Sound public financial management includes budget transparency, the setting-up and reinforcement of audit, control and anti-fraud bodies and measures, sound tax policy and administration and measures to enhance fiscal transparency such as tax information exchange and country by country reporting. Natural resources capital accounting together with an adequate management of natural resources revenues can help countries rich in natural resources to enhance their governance and visibility in contributing to economic growth. The green economy transformation offers new opportunities as an engine of environmentally sound economic growth.
- While the availability of finance differs significantly across countries, deepening and broadening the domestic resource base and effective use in all countries, particularly the least developed, is pivotal for sustainable development.
- All governments should create the conditions that will attract foreign direct as well as domestic investments, as key drivers of inclusive and sustainable growth. Investment opportunities in developing countries remain unfulfilled due to market failures, a lack of contract enforcement

mechanisms or of proper insurance mechanisms. Governments should use regulatory and operational levers, including financial instruments such as blending, to increase the private sector's contribution to public goals. All governments should develop a more conducive business and investment environment that incentivises sustainable investments, for instance by simplifying processes for setting up a company. At the same time, countries and businesses should seek to ensure that foreign direct investment is aligned with countries' long term sustainable development priorities. Investments should also be encouraged which impact on the poorest and promote innovative approaches to sustainable and inclusive growth. Governments can incentivise investments in more sustainable technologies (such as renewable energy) and sustainable investments, for example by establishing criteria for sustainability investing.

- In assessing financing needs, governments should take into account the cost of inaction. Failing to act in a timely fashion can lead to significantly increased costs at a later stage, for instance in moving to a low-carbon economy.

ii) International tax cooperation

- All countries should commit to collect the tax they are due by improving tax administration and public financial management, as well as by enacting national regulations to combat money laundering, corruption, tax evasion and other financial crime. Countries also need to work together to increase standards of tax transparency in line with global standards. The third Financing for Development Conference needs to address the need for better international cooperation on tax at technical and legal levels to fight against tax evasion and money laundering and avoid transfer mispricing in multinational companies, including through better coordination between multilateral international organisations. Countries should participate in regional and international initiatives of tax cooperation, and ensure that all countries, including developing countries, are able to benefit from them. They should also implement the G20/OECD Base Erosion and Profit Shifting outputs in due course.
- The EU and its Member States recognise that tax policies and effective tax administration are also important elements in supporting a country's sustainable development.

iii) Debt crisis prevention and resolution

- Sustainable borrowing and lending practices are essential in preventing debt crises. Borrowing decisions should be based on the basis of a complete and clear picture of public debt and its sustainability. Furthermore full transparency on the state and health of public finance to stakeholders should be ensured.
- Sovereign debt restructurings can entail high costs to debtors, creditors and the international monetary system. Recent developments have underscored the importance of strengthening the existing contractual legal framework for sovereign debt restructuring, through the IMF's framework in the context of sovereign debt distress.
- Debt is an important element in public financial systems and needs to be considered in the context of overall public finances. Sustainable debt financing, underpinned by effective debt management, is a necessary condition for financial stability.

4. Other points on an enabling and conducive policy environment

- The success of the MDGs in aggregate masks problems of coverage and achievement. In taking the work of the MDGs forward through the SDGs, the challenge will be to ensure that all citizens benefit from efforts to achieve the set of goals. Reaching people with disabilities, the socially excluded and other marginal and vulnerable groups in general requires specific policy measures, investment in better statistics and comprehensive monitoring. Investments in basic economic and social infrastructure, decent jobs, social services and social protection, including education, health, nutrition, shelter and social security programmes, are needed. States affected by conflict or fragility offer particular challenges, underlining the need significantly to enhance levels of good governance and stability over the next 15 years. Innovative finance needs to be considered as a means of realizing the SDGs.
- Another major challenge in implementing the SDGs is to ensure that growth and social development are sustainable and equitable. Across the goals, policy-making needs to reflect and incorporate the impact of policy choices on sustainable development as a whole and the inter-linkages with other policies.
- As a central element of EU support to the efforts of poorer countries, the EU is committed to ensure increased Policy Coherence for Development and it will continue reviewing its policies to contribute to poverty eradication and sustainable development. Policy coherence among different sectors is particularly relevant at regional and local levels.
- Engagement of all stakeholders in support of sustainable development is essential. The public sector that is responsible for setting the regulatory environment and providing basic security and services for the people can contribute to the inclusion of other stakeholders by facilitating entrepreneurship, business and trade, innovation, multistakeholder partnerships and new forms of financing.
- Global public goods, which can impact on the achievement of individual SDGs, also need coordinated international policies and action. Many issues are global or trans-boundary and therefore require specific international cooperation agreements to address them. Conventions and agreements are already in place to promote many of these issues, which will also play an important role for implementation for several SDGs. International agreements are most effective when complemented by domestic policies and instruments, in accordance with their provisions.

5. Other points on capacity building

- The agenda can only take root if we have effective institutions and the necessary human skills and capacities to deliver sustainable development. This also includes the capacities to assess needs, collect data, monitor implementation and review strategies. To achieve our goals we all have to boost and develop additional and new capacities and skills at all levels and in all countries, including in the EU. Capacity development therefore is at the heart of the post-2015 framework and is needed to help implement a range of measures and actions.

- Capacity development needs support by all, but will only be effective if it is owned and driven by those who require it. Overall support to institutional and organisational development should be mobilized through learning and knowledge-based initiatives as well as through a continuous, equitable and constructive dialogue on policies and development results. The support should target human resource development, as well as the development of systems and processes for planning, management and monitoring. Leadership and incentives are also key ingredients for institutional and organisational development.
- All partners in international cooperation, including international organizations, should reinforce and refine their support to capacity development processes. This can involve North-South, South-South, and triangular and regional approaches including the engagement of public and private stakeholders. It includes the use of networks and systems for knowledge exchange, peer learning and coordination among all development partners. Particular effort is necessary in the least developed countries and in fragile states.
- The EU is committed to boost and mainstream capacity development support in all sectors of cooperation with a multi-stakeholder perspective. The EU recognises the development of capacity in partner countries as a key factor for improving aid effectiveness. The EU facilitates peer-to-peer learning processes and networking through initiatives such as twinning and institutional development programmes. The EU will furthermore step up capacity building in the field of statistics and monitoring in partner countries.

Key elements for EU statements at the UN FFD thematic debate

10/12/2014 Session on 'Trade, technology and capacity building and other non-financial means of implementation'

1. Context

- Implementation of the post-2015 framework will decisively depend on national responsibility and capacity, national institutions and processes and an overall policy environment that facilitates reaching the sustainable development goals. Trade, technology and capacity building are important elements of means of implementation but must be taken forward in the context of such appropriate national frameworks.

2. Overall issues on the session on 'Trade, technology, innovation and capacity building and other non-financial means of implementation'

- The EU remains fully committed to the WTO, the conclusion of the Doha Development Agenda and the implementation of the Bali ministerial decisions. Each country needs to maximise the potential of trade for inclusive growth and sustainable development, to promote the private sector and investment, and to integrate into global and regional value chains and markets.
- In this respect, an essential element required under the Global Partnership is the creation of an enabling environment and incentives at domestic level to promote the private sector and investment, including foreign direct investment, and to integrate into global and regional value chains and markets. The aim is to secure growth and development in a way that contributes to improving human well-being, providing decent jobs, reducing inequalities, building resilience and protecting and sustainably using environmental resources.
- The private sector's contribution to transformative sustainable development depends essentially on its ability to innovate and develop new technologies and solutions. The governments are responsible for creating such a conducive environment in which the private sector can create innovations and solutions which target the world's development challenges and benefit the poorest segments of the population. Innovations for development should be facilitated with multistakeholder platforms inclusive of the poor people, new forms of cooperation, financing and risk-sharing.
- Implementation of the post-2015 development agenda will require countries that lack capacity to carry out such domestic policies and reforms to receive adequate support from traditional, new and emerging partners, including the emerging economies. Least Developed Countries (LDCs) require particular attention in this regard, both in terms of market access and Aid for Trade.
- An issue of growing importance is the integration of sustainable development, notably the environmental and labour dimensions in trade policy, including in trade agreements. The full involvement of civil society is essential in relation to the latter.

3. Key points on specific issues

i) Fostering science, technology and innovation

- Science, technology and innovation are important drivers for smart, sustainable and inclusive growth. Promoting innovation and knowledge sharing can facilitate both technology transfer and development. Research and innovation help develop such systems and value chains that are needed to deliver products, services, technologies, processes and business models that are inclusive and benefit the poorest segments of societies, as well as enable the development of start-ups and SMEs and promote other opportunities for citizens to escape from poverty. Research and scientific knowledge also support smart policy planning and decision making. They are essential to promote sustainability and progress towards a circular / green economy.
- Innovations create new economic activity, new jobs, opportunities for entrepreneurship and financial resources in the long run. Innovations contribute, hence, to the poor people's welfare and possibilities of participation in the economy and society more broadly. Innovations can take many forms, such as a new product or service, new technology, new business model, or a new form of organizing processes. Innovations can be developed in all sectors, e.g. education, health, food production, renewable energy, climate change mitigation and adaptation or public service. Governments need to unlock the potential of innovations by supporting multistakeholder platforms and different forms of partnerships and by providing funding and sharing risk with the innovators.
- Across the goals, technology and innovation, including information and communication technology, and mobile technologies may provide opportunities to address sustainable development challenges in new ways.
- Foreign direct investment is an important vehicle for transfer of technology and innovation. Emerging economies are becoming key players in the transfer of technology and capacity building for LDCs, as well as in scientific and technological cooperation. South-South and triangular cooperation play an increasingly important role alongside North-South cooperation.
- A successful Global Partnership requires an enabling environment and incentives at domestic level for innovation, science and technology cooperation, adequate protection of intellectual property rights, according to the WTO rules, and the facilitation of technology diffusion and transfer, on mutually agreed terms. As most of the technologies are owned by the private sector, their transfer cannot be mandated but could be fostered by conducive framework conditions. In this context, public-private partnerships and investments in research and development should be promoted, while ensuring their contribution to sustainable development.
- Cooperation on technology transfer should go beyond pure technological development and include research on the systems, processes and services that support the use and adoption of technology. Attention should be also paid to adapting technology to local contexts, including by engaging with communities and users to ensure the needs of people are taken into account. The transfer of technology can be enhanced by developing the capacity of developing countries to use free patents and by mobilizing research for the development of technologies adapted to the countries of the South.
- In the context of a global partnership to implement a universal agenda, all countries should: increase bilateral, regional and multi-lateral cooperation on science, technology and innovation

and solutions-oriented research; strengthen scientific, technological, statistical and research capacities in developing countries and promote worldwide and cross-sector mobility of researchers and open access to publicly-funded publications and data. At UN level, countries should facilitate access to information on existing technology and promote coherence and coordination between technology mechanisms, including any new mechanisms.

- The EU's flagship research programme, Horizon 2020, which aims at strengthening the Union's excellence in research and innovation, its economic and industrial competitiveness as well as tackling global societal challenges, earmarks 60% of its total budget to support sustainable development and is open to participation from across the world. The EU will promote open access to publicly-funded research results in Horizon 2020 to facilitate knowledge sharing and enhancing research capacity in developing countries.
- The EU will continue to contribute to global initiatives such as the Global Earth Observation System of Systems (GEOSS), the Intergovernmental Panel on Climate Change (IPCC); and the Global Alliance for Chronic Diseases (GACD).
- Innovative solutions to reduce disaster risks, vulnerability to shocks and increase the overall resilience of communities or countries are necessary investments to protect people and assets, and to help a country remain on the growth track.
- Through its development cooperation, the EU supports innovation and technology transfer: through higher education programmes, especially in the area of sustainable agriculture and food security, and through community-level innovation.
- Through its participation in and contribution to multi-stakeholder partnerships such as the Index for Risk Management and the Global Disaster Alert and Coordination System, the EU contributes to crisis prevention, preparedness and response.
- At UN level, there is scope for improving access to information on existing technology mechanisms and promoting coherence and coordination between them. In order to avoid duplication, any new global technology facilitation mechanism would only bring added value if it facilitated UN coordination of existing initiatives, aiming to promote synergies between them.

ii) Investment regimes for sustainable development

- Each country needs an adequate regulatory framework to promote trade and investment. Such a framework should be stable and predictable and should be based on equitable, non-discriminatory regulations and legal instruments. It should be complemented by prudent and efficient macroeconomic policies and efforts to curb corruption.
- All governments should be able to make full use of the opportunities provided by domestic and international investment, as key drivers of inclusive and sustainable growth. Investment opportunities in developing countries often remain unfulfilled partly due to regulatory shortfalls and incomplete information, for instance on risk. Governments should use regulatory and operational levers, in particular good governance tools, to develop or maintain a more conducive business and investment environment that encourages sustainable investments. Examples include: enhanced transparency of the regulatory framework, simplification of

processes for setting up a company, and incentives for responsible corporate behaviour. The use of blending tools can also increase the private sector's contribution to public goals.

- The EU will continue to encourage businesses to invest more, and more responsibly, in developing countries as part of their core business strategies. This includes facilitating private sector engagement, including through differentiated and specific approaches in particular in fragile and conflict-affected countries that are urgently in need of jobs and economic opportunities to restore social cohesion, peace and political stability. The EU will also continue to encourage responsible business practices and promote the scaling up of market-based solutions for development. The EU's other activities in this area include working with partner governments to create a business environment conducive to private sector initiative, stepping up support to micro-, small and medium-sized enterprises in the formal and informal sector, promoting eco-entrepreneurship and social businesses, facilitating multistakeholder partnerships, empowering women and young people as entrepreneurs and workers and deepening financial inclusion.

iii) Trade regimes for sustainable development

- The EU is fully committed to the WTO, the conclusion of the Doha Development Agenda and the implementation of the Bali ministerial decisions agreed at the 9th WTO Ministerial meeting in December 2013, notably the WTO Trade Facilitation Agreement. Implementation of decisions concerning the LDCs are also of particular importance, notably regarding the WTO decision on duty free and quota free access for LDC products, the WTO guidelines on preferential rules of origin for LDCs, the operationalization of the previously agreed Services Waiver for LDCs, and making progress, in response more particularly to the demands of 4 countries, to address cotton issues within the agriculture negotiations.
- Each country has the primary responsibility to maximise the potential of trade for inclusive growth and sustainable development by creating an enabling environment and incentives at domestic level to promote the private sector and investment including foreign direct investment, and to integrate into global and regional value chains and markets.
- The EU believes that the world's most vulnerable countries, particularly Least Developed Countries (LDCs), need support to facilitate their integration into the global trading system and thus derive maximum economic, social and environmental benefits.
- All partners should contribute to supporting the most vulnerable members of the global community according to their own level of development and capacities, including developed countries, emerging economies and more advanced developing countries. This includes the provision of Aid for Trade in a way that is consistent with development effectiveness principles, and the provision of duty-free and quota-free access to LDC products. The EU will seek to update its Aid for Trade Strategy in the light of the outcomes of the post-2015 negotiations and the 5th Global Review of Aid for Trade to take place in June 2015. The availability of transparent, comprehensive, reliable and up to date data on aid and market access is critical to this aspect of the post-2015 development agenda. Assessing the sustainability impact of trade agreements and their impact on LDCs is also important.
- The trade agenda continues to evolve. Historically low tariffs and the advent of Global Value Chains means that trade preferences are no longer sufficient to stimulate trade and investment. To make trade work for poverty reduction and sustainable development, developing countries

have to look beyond trade preferences at 'behind-the-border' issues. These include: trade facilitation; technical norms and standards; labour and environmental regulations; investment; services; intellectual property rights; and public procurement. The EU addresses these issues through its trade agreements with developing countries. These dimensions should be reflected in all countries' trade policies.

All countries should also promote the integration of sustainable development in trade policy, notably the environmental and labour dimensions, including in trade agreements. The full involvement of civil society is essential in relation to the latter. This should include support to multilateral and plurilateral initiatives, such as the negotiations for an agreement on trade in environmental goods and services, to liberalise trade in environmental goods and services and facilitate trade and investment.

The EU will continue to support regional integration programmes in all parts of the world, including through the provision of trade-related assistance, which can contribute to trade facilitation, the strengthening of sanitary and phytosanitary (SPS) systems, or industrial standards and quality control systems with a view to facilitating cross-border trade while at the same time improving environmental, health and safety conditions.

Key elements for EU statements at the UN FFD thematic debate

11/12/2014 Session on 'Governance'

1. Context

- **Good governance** is an essential means of implementation of the post-2015 agenda (and an objective in itself). Ensuring that a national policy environment is based on the principles of human rights, good governance and the rule of law will be key in all countries' contribution to the implementation of the agenda. Good governance, especially efforts to fight corruption, is a key ingredient to sound business enabling environment and conducive investment climate. Countries need to promote effective and stable institutions, transparency of policies and systems and accountability to their citizens through democratic processes, based on the rule of law. Good governance requires effective systems for budgeting, financial allocation and monitoring of expenditure. These systems need to be fully transparent and open to the general public in order to promote participatory decision-making and tackle corruption. A central aim of good governance is to protect and promote human rights for all citizens.

2. Overall issues on the session on 'Governance'

- All countries need to ensure that they have in place systems for the efficient, sustainable and transparent management of all state resources towards national sustainable development objectives and the internationally agreed objectives, including by:
 - (i) Strengthening state institutions, especially those protecting and promoting human rights and the rule of law
 - (ii) Strengthening justice and security institutions as the lead institutions for ensuring citizens' safety and abstention from violence
 - (iii) Strengthening the institutions of budgetary planning and oversight, including independent national supreme audit institutions and other mechanisms for accountability for citizens
 - (iv) Strengthening the capability and independence of national statistical systems, so that they generate trustworthy statistics that inform policy decisions and enable citizens and civil society to hold governments to account.
 - (v) Ensuring long-term sustainability and transparency of government finances by basing spending plans on revenue forecasts and clearly linking spending to the agreed policy objectives, including sustainable and transparent management of natural resources and revenues from them and using and publishing national economic, social and environmental accounts.
 - (vi) Eliminating possibilities and incentives for corruption and increasing transparency by establishing a single treasury account and making all government payments electronic;
 - (vii) Replacing counter-productive spending like inefficient subsidies for fossil fuel consumption (estimated at 400 billion euro in 2010) with pro-poor and pro-environment

alternatives like cash-transfer schemes; such reforms can increase disposable resources, while also tackling social and environmental challenges, including reducing greenhouse gas emissions.

(viii) Ensuring incentives for sustainability in fiscal policies and budgets, including aligning national public procurement rules with sustainable development objectives. State owned companies can be important role models.

3. Key points on specific issues

i) Closing data gaps and strengthening statistical capacities

- A data revolution would increase transparency and public access and strengthen quality and comparability of national official statistics. It would also harness research and technologies for data collection and analysis, including building on existing mechanisms and tools such as the Global Earth Observation System of Systems (GEOSS). This would include actions to strengthen national statistical capacities, including harnessing the opportunities provided by research and technology. Special attention needs to be given to data collection in fragile states and to gender aggregated data. There will thus be resource implications for countries to engage in a comprehensive, multi-level framework for accountability, monitoring and review.
- We welcome the recommendations in the Independent Expert Advisory Group on the actions needed to mobilise the data revolution for the public good: public, private and civil society data providers to agree on principles and standards; mechanisms to share data technology and innovations; new resources for statistical capacity development; and strong leadership and global partnership to add value to existing institutional setups and ensure global cooperation.
- Through its development cooperation the EU will step up capacity building in the field of statistics and monitoring in partner countries.

ii) Enabling and conducive governance, including global economic governance

National

- Countries' domestic environments, in terms of policies, practices, institutions and resources, are central to the successful implementation of the post-2015 agenda and achievement of the SDGs. Meeting the post-2015 challenge will require appropriate policies, capable and stable institutions, transparency of public finances and effective efforts against corruption. Domestic policy environments build the framework to make economic growth sustainable and make it work effectively for the poor.
- For implementation at the national and local levels, each country needs the right regulatory framework to achieve policy objectives. This should include the provision of equitable and predictable legal frameworks, developing appropriate regulations and legal instruments, implementing effective macroeconomic policies, promotion and protection of human rights, fundamental freedoms and core labour standards, the provision of trustworthy statistics on the things that matter to people, and which frame public debate, protection of citizens and the environment, including transparent management of natural resources, and improving opportunities for the private sector as well as encouraging sustainable investments. National and regional networks that bring together the broad range of actors needed to help with national

implementation and enforcement can provide significant supporting the practicability and enforceability of legislation.

- Middle Income Countries have achieved significant growth rates in the past few years, but their institutional processes also need to evolve in order to build sound taxation systems and finance the provision of the public goods that society demands.
- National governments have the primary responsibility for realising the aspirations of citizens and implementation of agreed policy priorities. This includes the responsibility to mobilise and use public resources effectively. Beyond providing the fiscal space for national spending on development priorities, the effective and transparent use of public domestic resources can also strengthen domestic accountability and contribute to a sound government-citizen relationship consistent with people's priorities.
- Public financial management, including the setting-up and reinforcement of audit, control and anti-fraud bodies and measures, and institutional development are pivotal for long-term progress. The EU and its member states are committed to the principles of good governance in the tax area, and supports G20/OECD work to tackle tax avoidance/evasion which will reform the global tax system, including country by country reporting to enhance financial transparency. The EU further encourages efforts to mobilise domestic revenues and to reduce their aid dependency. The public sector can make an important contribution to sustainable development by providing business with incentives for developing more sustainable products and services through sustainable public procurement. Procurement can also be used to incentivize better application of corporate social and environmental responsibility by private companies. Wealth accounting (including natural capital accounting) has proved successful in incentivizing environmental management and yielding economic returns.

International

- Implementation of the agenda requires an effective and transparent system of international governance, stable financial markets and economic cooperation. There is a need for assessing and reporting progress against objectives.
- Greater cooperation between the United Nations, the Bretton Woods institutions and the WTO is needed, based on a clear understanding and respect for their respective mandates and governance structures. UN system-wide coherence also needs to be enhanced. Our priority continues to be for all IMF members to ratify the 2010 Quota and Governance Reform as soon as possible. All EU Member States have already done so. EU Member States are also committed to maintaining a strong and adequately resourced IMF, while reaffirming the importance of the IMF as a quota-based institution.
- All providers of international development cooperation should implement the specific commitments agreed under the Global Partnership for Effective Development Cooperation (GPEDC), with a focus on improving effectiveness, transparency, reducing donor fragmentation, strengthen delivery, accountability, measurement and demonstration of sustainable results., implementing the agreed approach in situations of conflict and fragility, and deepening public private engagement for development impact.

- Countries should use innovative mechanisms to increase the catalytic role of resources in attracting more private financing through greater use of financial instruments such as guarantees, equity and other risk-sharing instruments. The EU is exploring options to expand the scope of blending in new areas such as sustainable agriculture and to facilitate more projects with a strong impact on local private sector development like SME access to finance.
- All countries should increase the coherence of policies at national and international levels to ensure that they support the implementation of the post 2015 agenda both domestically and in relation to other countries.
- Full compliance with international law, particularly international framework conventions and treaties, is also of fundamental importance in this respect.

Key elements for EU statements at the UN FFD thematic debate

12/12/2014 Session on 'Learning from partnerships and follow-up process'

1. Context

- A new set of multi-stakeholder partnerships are required for implementation of the post-2015 agenda. These can build on the activities and experiences of the many existing partnerships, so avoiding overlap and increasing efficiency and effectiveness. The EU can offer its experience of successful implementation of various policies both domestically and internationally, based on key principles of the agenda such as sustainability, cooperation and partnerships. The EU has shown a strong commitment to Policy Coherence for Development and our own experience can serve as an example in striving for policy coherence for sustainable development.

2. Overall issues on the session on 'Learning from partnerships and follow-up process'

- A renewed Global Partnership is required to help secure an effective agreement in September 2015 and enable rapid implementation from 2016 onwards. It should facilitate countries and other stakeholders working together in the shared interests of poverty eradication and sustainable development and should increase synergies and coherence between the three dimensions of sustainable development. The Global Partnership should also set out clear measures for monitoring progress, ensuring transparency to the public and holding all partners accountable.
- Going beyond traditional channels of cooperation the Global Partnership needs actively to promote new, more effective and sustainable forms of multi-stakeholder partnerships to drive transformation in the post-2015 agenda. There is a need for participation of, and enhanced partnerships between, all stakeholders including the private sector and civil society, academia, foundations, knowledge institutes, authorities at all levels (including local, national, regional and global) and other relevant actors. There may be a need for specific actions to facilitate the formation of new partnerships.
- The EU is committed to playing its full part in the Global Partnership and to working constructively with others to encourage their full participation on the principle that all countries should contribute to the achievement of the universal post-2015 agenda. The EU recognises the need both to implement the agenda across its own region and to support implementation elsewhere in the world through constructive cooperation and enhanced partnerships.
- It is important to note that successful partnerships are not defined only by financial flows. Appropriate enabling environments are a critical pre-requisite.

3. Key points on specific issues

i) Learning from partnerships

- We support the increase in all forms of partnerships with other countries and recognize that there is a need to strengthen international cooperation and ensure genuine and durable

partnerships at the national, regional and international levels to address issues related to sustainable development priorities and needs.

- We also call for enhanced international cooperation, including North-South, South-South and triangular. We recognize that genuine and durable partnerships will play an important role in advancing sustainable development, by harnessing the full potential of engagement between governments at all levels, business, civil society and a wide range of other stakeholders. We further recognize that partnerships are effective instruments for mobilizing human and financial resources, expertise, technology and knowledge and can be powerful drivers for change, innovation and welfare. Partnerships in all their forms, regardless of size and economic value, should be utilized, enhanced and strengthened to ensure the meaningful engagement of all relevant actors.
- The EU and its Member States already participate in many successful partnerships. The EU wishes to strengthen existing innovative and successful partnerships and participate in the establishment of new ones. Any partnership should involve all relevant stakeholders and be based on national ownership, trust and mutual respect, transparency and mutual accountability. Partnerships must also consider the local cultural context and set measurable objectives that lead to tangible results. Partnerships are also an effective mechanism for promoting aid effectiveness, building on the principles of the Global Partnership for Effective Development Cooperation. The EU also sees opportunities in Public-Private Partnerships, South-South Cooperation and Triangular Cooperation, including for sharing information and experiences and for promoting capacity development.
- The Global Partnership for Effective Development Cooperation, offers very useful models for implementing the post-2015 agenda, including through methodologies such as country-led multi-stakeholder dialogue, data gathering and monitoring. These models demonstrate the transformational potential of an inclusive monitoring process on behaviours and levels of ambition.
- We welcome the developments in the framework of the Global Partnership for Effective Development Co-operation. We recognize it as a unique inclusive platform for taking forward the development effectiveness agenda, bringing together a wide range of key stakeholders committed to achieve tangible development results, improved transparency and increased local ownership at the country level. The monitoring exercise of the GPEDC launched in Mexico further underlines the need to step up efforts in improving development effectiveness on the ground, and to further work for gathering better quality data and more robust monitoring methodologies.
- Multistakeholder partnerships between the private and public sectors, civil society and academia are also important vehicles for pursuing sustainable development objectives. There is increasing experience of public-private/multistakeholder partnerships which could act as models for extension to other countries and applications.
- Goal or sector based partnerships and funds could be an important part of the post-2015 agenda. Examples of successful partnerships in this area include the Global Alliance for Chronic Diseases (GACD) that develops and facilitates innovative research collaborations between low- and middle-income and high-income countries. Another example of a well functioning, multistakeholder-partnership is the Extractive Industries Transparency Initiative (EITI), which brings together governments, business and civil society to enhance the transparency in

management of natural resources. Other good examples are Sustainable Energy for All and the Global Fund to Fight Aids, Tuberculosis and Malaria.

- Core funding for multilateral institutions is also of key importance in fostering partnerships.
- The role of regional and local authorities in partnerships is also important..

ii) Follow-up process

- In considering an appropriate follow up process, we note that the subject matter of the FfD process is closely linked to that of post-2015. We therefore believe that monitoring, review and accountability for these processes should also be linked into an integrated framework, rather than develop two parallel follow up processes.
- An effective FfD and post-2015 follow-up framework must be built on strong accountability. A Global Partnership thus needs to include an effective framework for monitoring, review and accountability. This should clearly identify goals, targets and indicators, and who is responsible for what, and when and how they will report on their obligations. The framework needs to operate at local, national and at international (global and regional) levels and involve representatives from all stakeholder groups, also local authorities and civil society (including the private sector, non-government organisations, trade unions, cooperatives, and employers' organisations). The monitoring and review process should focus on measurable quantitative and qualitative results, including data disaggregated by social group to enable us to measure who is benefitting and who remains disadvantaged. The system also needs to integrate a rights-based approach.
- The framework needs to be comprehensive, covering all aspects of the SDGs as well as all means of implementation and having strong inter-linkages between the different levels of the monitoring system. The process should stimulate countries to maximise progress, share experience and demonstrate best practices. Where goals and targets reflect commitments made under other international agreements (such as multilateral environmental agreements, or the UNCHR), the already established mechanisms for accountability, monitoring and review should be respected to increase cost-effectiveness. Experience from existing review mechanisms, such as the Universal Periodic Review or OECD DAC, should be built upon.
- Accountability primarily rests with national governments. National governments should be accountable both to domestic stakeholders (the electorate, parliament, consumers, civil society) for making progress nationally, and to the international community for contributing to the global goals and targets. The post-2015 framework will need to be translated into national targets, based on the national context. National level reporting would be against these national goals and targets, where possible drawing on existing systems of information collection and frameworks for accountability. It might be appropriate to include an UN-led review to assess the aggregate level of ambition of national plans against the global ambition. Updates on progress should be publicly available as it is important to ensure broad public awareness of and engagement in the post-2015 process over coming years.
- The regional level could provide a useful forum for peer review and lesson learning. Monitoring of progress and accountability for regional and trans-boundary issues can also be components of a regional level review, resulting in recommendations for regional policies and agreements. In addition to UN regional commissions, there can be useful frameworks having regard to regional integration processes, including the EU itself.

- At global level, an effective monitoring and accountability framework should be developed within the upcoming intergovernmental processes, including with a key oversight role for the High Level Political Forum in the follow-up and review of progress of the post-2015 agenda. It should benefit from support from an efficient and effective UN system and other relevant institutions, and involve all partners and stakeholders. Existing mechanisms and processes should be used in a coordinated manner wherever possible to avoid duplication and limit administrative burden.
- Effective monitoring, review and accountability depend on reliable data and indicators of progress that can be compared between countries and regions. Hence a core set of indicators related to the targets, also going beyond GDP, need to be established. Collection methods and underlying methodologies need also to be made coherent to assure the comparability, interoperability and transparency of underlying data. Consideration will need to be given to the frequency of reporting, and whether themes are clustered into cycles, to be more efficient.
- Monitoring needs to allow for both quantitative and qualitative measures of progress, for example by including perceptions of progress from beneficiaries. Progress reports should be based on open, unbiased, reliable and timely data, gathered at different scales and where possible more disaggregated level. Disaggregated data (e.g. sub-nationally, by income, gender, age, geographic location etc.) is important in exposing where progress is lagging and therefore efforts to collect such data need to be stepped up. To support this we need to improve data availability and quality, making use of a broader range.
- Reporting requirements against the framework need to consider the very significant mismatch between the current low capabilities of national statistical systems in developing countries, and the ambition to report on a much broader set of indicators, and at a much greater level of disaggregation, compared with the MDGs.
- Opportunities from technological progress and big data should be harnessed to strengthen real time monitoring and disaggregated data gathering. In addition to socio-economic data, geospatial information and in-situ monitoring can also contribute to a global monitoring and accountability framework for sustainability-related challenges. The framework should build on already established systems including the work of the Interagency Expert Group (IAEG) on MDG Indicators, the OECD Paris 21, the Busan Action Plan for Statistics, National Strategies for the Development of Statistics or the United Nations initiative on Global Geospatial Information Management (UN-GGIM).
- The EU remains committed to actively engage in the set-up and implementation of a strong and ambitious monitoring, review and accountability process. The Europe 2020 strategy with its priorities such as innovation, the digital economy, employment, youth, industrial policy, poverty, and resource efficiency could be a useful model for monitoring and review as the EU has established indicators to determine and compare progress between Member States, and giving policy guidelines to help Member States speed up progress towards the targets. Through development cooperation the EU promotes capacity building in the field of statistics and monitoring in partner countries.