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Preparatory Process for the

Third International Conference on Financing for Development

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Statement on behalf of the European Union and its Member States

delivered by

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Distinguished co-Chairs,

Under Secretary General,

Honourable Minister,

Excellencies, Ladies and Gentleman

I have the honour to deliver this statement on behalf of the EU and its Member States.

At the outset we would like to thank the co-Chairs and the UN Secretariat for the elements paper and for the useful informal thematic dialogues you convened in November and December.

There is less than six months to go to Addis, but we are not starting from scratch: there are good foundations. The Monterrey Consensus and the Doha Declaration provide a strong conceptual underpinning, and we can draw upon the ICESDF Report, the OWG Report, and the UNSG Synthesis Report, which are all important contributions for our discussions. We should also draw upon relevant work in international fora.

Before commenting on the co-Chairs' elements paper, I would like to stress that the approach put forward in the ICESDF report should serve as a reference for our deliberations. It is important that we don't aim to create a one-size-fits-all template or a silver-bullet solution, and recognise that achieving sustainable development will require a complex set of actions that will have to take account of different country situations. We are fully committed to make Addis a success and our view is that in order to achieve ambitious Sustainable Development Goals, our work should be guided by the following:

Comprehensiveness – Addis should address the range of Means of Implementation required for the post-2015 development agenda, including both enabling policy environment and financial resources, thereby making a positive contribution to the post-2015 Summit. On the financial side, the mobilisation of all resources – public and private, domestic and international – as well as their effective use will be vital for the successful implementation of the agenda. Equally important will be non-financial MoI. I am referring here to an enabling environment, sound and coherent policies and good governance. In particular policy coherence for sustainable development across all three dimensions by all countries and at all levels will be key in moving towards sustainable development.

Integration – The MoI should serve the post-2015 SDGs and as such address all three dimensions of sustainable development in an integrated fashion. The objective of the Addis Ababa conference must be financing sustainable development. The outcome of Addis and of the post-2015 goals discussion should result in one single framework. In this regard, a joint session between the FfD and the post 2015 intergovernmental process will provide a good opportunity for exchanging views on how to ensure the convergence of the two processes.

Shared responsibilities – At Monterrey we all agreed that “each country has primary responsibility for its own economic and social development”; national ownership and leadership is of key importance. At the same time, all actors need to take action and contribute their fair share to reaching global goals in line with respective capabilities. In concrete terms, this means commitments from all, reflecting changes in the global economy in the last decade. All countries

need to take the necessary steps in terms of policy action and resource mobilisation. The post-2015 agenda will be universal and should move beyond outdated dichotomies and dividing lines and be based on shared responsibility. The EU is ready to play its full part in such a new global partnership.

Mutual accountability - The ICESDF Report says: “transparency and accountability must underpin all financing to enhance legitimacy and effectiveness”. Transparency and accountability of all, at both national and global levels, as well as the comprehensive monitoring of all actions, will be needed to ensure an effective use of resources and a greater focus on results and impacts.

and finally Multi-stakeholder partnership - The private sector and civil society will have a key role to play in the implementation of the post-2015 framework.

Distinguished Co-Facilitators,

Let me now make some general comments on your paper – the details will come later. The elements paper provides an acceptable basis for today’s discussion. It starts to set out a framework on means of implementation for post 2015. We welcome the call for “an effort shared by all”, which echoes what I’ve just said about fair burden sharing.

However, the paper sometimes loses some of the balance that was the basis of Monterrey and was reconfirmed in the ICESDF Report and the UNSG Synthesis Report, in particular in the “Major challenges” sections and in the annex. The Addis outcome document should not go back on these – should rather reflect the evolving global landscape. In particular:

- The primacy of policies – both domestic and international – does not come out clearly enough. The significance of good governance should also be underscored. To put it in clear terms: better good policies than throwing money at bad policies. A sound policy and regulatory

environment is needed for financing to have real impact. Overall, the critical importance of creating an enabling environment should be better underlined.

- Policy coherence across the three dimensions of sustainable development, by all countries, at all levels, should be pursued in a more systematic way.
- The text gives more prominence to international action, and underplays the principle of national ownership and the primary responsibility of every country for its own development. In particular, the domestic dimension of the document could be developed further, should cover the coherence of domestic policies (rather than stop at international policies), and extend its reflection on monitoring/accountability to domestic action. By the same token, there should be a more balanced approach to mobilising multifaceted and diverse sources of financing, so as to maximise impact. ODA remains an important and catalytic element in the overall financing available for developing countries, in particular those most in need.
- The text remains in some respect based on outdated donor/recipient or North-South dichotomy, which does not reflect the complexity of today's world and the fact that general references to "developing countries" have lost pertinence. Upper MICs and other emerging economies have an enhanced position in today's economy which needs to be recognised. Moreover, international public action should prioritise countries most in need: LDCs and other. The ICESDF report is very clear about the need to focus public money where needs are greatest and the capacity to raise resources is weakest.
- In our view the references to development effectiveness are too limited and only applied to international public finance. This is too restrictive: development effectiveness principles are applicable to all categories of development finance and should be embraced by all actors, including in the context of South-South Cooperation, in the spirit of Busan.
- Also we should not forget that a stronger gender focus is needed in all areas, and gender aspects need to be integrated in the different sections.

Before I conclude, let me say a word about the structure, which we all recognise will be important in view of the linkages with other processes. We would suggest structuring the outcome document in a way which would facilitate the consideration of all MoI. One option could be to use the same structure used for the FfD thematic dialogues last year, ensuring that we pay equal attention to: (1) Mobilisation and effective use of resources; and (2) Enabling environment. We would also suggest explicitly subdividing actions into two categories: domestic and international. Going forward, it will be important to be clearer about who should be doing what.

The EU is fully committed to playing a constructive role in our deliberations and we look forward to the discussions on the next few days.

Thank you.