

EU SPEAKING POINTS

High-Level Dialogue on Financing for Development

7 October 2013

Round table 1: The impact of the world financial and economic crisis on the reform of the international monetary and financial system and its implications for development

- The European Union is a firm promoter of effective multilateralism and a supporter of the fundamental role of the UN system in global governance. It is indeed a founding principle of the EU, in the words of the Lisbon Treaty, to "promote multilateral solutions to common problems, in particular in the framework of the United Nations".
- The world financial and economic crisis has made this even more necessary, having laid bare the extent of global economic interdependences. The challenges that we must address are shared by many global partners: greater coordination, transparency and effectiveness are essential.
- The global financial crisis has highlighted the need for multilateral institutions that can manage our interdependence. The EU welcomes the efforts made by the Bretton Woods institutions to respond and adapt to new realities in global economic governance, including progress made to strengthen the voice and participation of developing countries. This is needed to enhance the institutions' credibility, legitimacy and effectiveness. We encourage the IMF and the World Bank to move forward in this direction and to enhance their engagement and collaboration with the UN system.
- The global financial crisis also underlined the importance of trade as an engine of growth. The EU remains committed to the WTO and the Doha Development Agenda recognising that open economies and free international trade are essential for the global recovery. We will continue to try and move forward where possible at the WTO, for instance on trade facilitation which would have a huge positive impact for developing countries, and also

make sure that our Free Trade Agreements prepare the ground for the next level of multilateral liberalisation and rulemaking.

- And the global financial crisis has led to the setting up of the G20 as we now know it. The G20 has placed development high on its agenda. The EU's own experiences with strengthening economic governance, reforming financial services and promoting development allowed us to play a constructive role in that process and helped us build consensus for improving the situation at the global level. The EU calls for enhanced cooperation between the UN and the G20.
- In such difficult economic times, it becomes all the more important to strive for a rationalisation of global processes, aiming at synergies and integration so as to make the most of available resources. As we've said in the opening plenary, international financing processes have multiplied over recent years (discussions on sustainable development finance, negotiations on climate finance or biodiversity finance etc.). The EU has been calling for bringing them together under a single conceptual framework. This is not to say that existing commitments shouldn't be respected; it is a simple recognition that we cannot afford more fragmentation going forward.
- Moreover, quality is at least as important as quantity when it comes to financing. I'm talking here about the development effectiveness agenda. The Busan Global Partnership has a key role to play in making sure that our actions bring maximum results.
- Adapting to the world as it is and setting the world economy on a path of sustainable growth is a shared responsibility of all of us.