



SUMMARY OF THE THIRD DRAFTING SESSION OF THE OUTCOME DOCUMENT OF THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT: 15-22 JUNE 2015

The third drafting session of the outcome document of the third International Conference on Financing for Development (FfD3) took place at UN Headquarters, New York, from 15-22 June 2015, with plans to continue work on outstanding issues and convene another plenary on Thursday, 25 June.

Delegations first conducted a reading of the 12 June version of the draft outcome document for FfD3, which will convene from 13-16 July 2015 in Addis Ababa, Ethiopia. The draft included three main sections: a global framework for financing sustainable development; an Action Agenda; and data, monitoring and follow-up. The Action Agenda included seven chapters: domestic public resources; domestic and international private business and finance; international public finance; international trade as an engine for development; debt and debt sustainability; addressing systemic issues; and science, technology, innovation (STI) and capacity building.

The draft also incorporated sections known as “bridging paragraphs,” proposed by the Co-Facilitators on the basis of the comments provided during the two previous drafting sessions and three additional intersessional meetings held in May and June 2015.

Delegates worked in relatively few and brief plenary sessions, with the bulk of the work taking place in smaller, informal-informal consultations led by “co-co-facilitators” appointed by Co-Facilitators Geir Pedersen, Permanent Representative of Norway, and George Talbot, Permanent Representative of Guyana. Informal-informal negotiations took place on trade, debt, tax, follow-up, international public finance, and technology. Building on the progress made on these issues in the informal-informal settings, the Co-Facilitators issued three new versions of the draft Addis Ababa Accord during the course of the meeting. In a plenary convened on Monday night, 22 June, to update delegates, Co-Facilitator Talbot said another draft was being finalized, reflecting consensus and convergence that had gone “as far as we could go,” and that a couple of outstanding issues of “great sensitivity” needed to be handled at the political

level. The plenary is scheduled to resume on Thursday, 25 June at 6:00 pm.

Editor’s Note: The Earth Negotiations Bulletin will publish a separate briefing note after the plenary on Thursday, 25 June 2015, or whenever the third drafting session concludes.

A BRIEF HISTORY OF FFD

In June 1997, the UNGA adopted the Agenda for Development, which called for consideration of the idea of holding an international conference on financing for development. Subsequently, during its 52nd session in December 1997, the UNGA adopted resolution 52/179, which noted the need for systematic, comprehensive and integrated high-level intergovernmental consideration of financing for development, and created an *ad hoc* open-ended working group to formulate recommendations on the form, scope and agenda for this consideration.

The *ad hoc* working group held six sessions between December 1998 and May 1999, and adopted a report of recommendations (A/54/28) to forward to the UNGA on the form, scope and agenda of the high-level intergovernmental event, proposed for 2001. The report recommended that the event address national, international and systemic issues relating to financing for development in a holistic manner in the context

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of globalization and interdependence; noted that by so doing, the event would also address development through the perspective of finance; and underscored that the event should also address the mobilization of financial resources for the full implementation of the outcome of major conferences and summits organized by the UN in the 1990s and of the Agenda for Development.

UNGA RESOLUTION 54/196: In December 1999, the UNGA adopted resolution 54/196, which endorsed the report of the *ad hoc* working group and decided to convene a meeting of political decision makers, at least at the ministerial level. It established a Preparatory Committee (PrepCom) and a schedule for initial meetings; called on the UN Secretary-General to consult with the International Monetary Fund (IMF), World Bank and World Trade Organisation (WTO) and share the results of these consultations with the PrepCom; and decided to constitute a 15-member Bureau that would continue consultations with relevant stakeholders.

ZEDILLO REPORT: In June 2001, former Mexican President Ernesto Zedillo, appointed by UN Secretary-General Kofi Annan to head a High-Level Panel on Financing for Development, released a report from the Panel at UN headquarters. The report contended that better governance of the global economic system, significantly higher levels of aid and freer markets would go a long way toward achieving the international development goals defined during the world conferences and summits of the 1990s. Recommendations included considering the possibility of an Economic Security Council, establishing a multilateral Commodity Risk Management Scheme for less developed countries, shifting aid to a “common pool,” and creating an international tax organization.

FIRST INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT: Following PrepCom meetings in May 2000, February 2001, April-May 2001 and October 2001, the first FfD Conference took place from 18-22 March 2002 in Monterrey, Mexico. UN Member States adopted the Monterrey Consensus, consisting of six general categories of issues: mobilizing domestic financial resources; mobilizing international resources for development; trade; international financial cooperation for development; debt; and systemic issues including enhancing the coherence of the international monetary system to support development. The outcome document included three sections: confronting the challenges of financing for development: a global response; leading actions; and staying engaged. Member States agreed to mobilize financial resources and achieve the national and international economic conditions needed to fulfil internationally agreed development goals, including those contained in the Millennium Declaration, to reduce poverty and improve social conditions.

Instead of creating a new intergovernmental mechanism, the Monterrey Conference decided to strengthen and make full use of the UNGA and the Economic and Social Council (ECOSOC), as well as the relevant intergovernmental/governing bodies of other institutional stakeholders, for the purposes of conference follow-up and coordination. As a follow-up to this decision, ECOSOC holds an annual special high-level meeting with the World Bank, the IMF, the WTO and the UN Conference on Trade and Development (UNCTAD) to address issues of coherence, coordination and cooperation.

HIGH-LEVEL DIALOGUES ON FINANCING FOR DEVELOPMENT: The first FfD Conference mandated the UNGA to hold biennial High-level Dialogues on Financing for Development, to serve as the intergovernmental focal point for the general follow-up to the Monterrey Conference and related outcomes. Such dialogues were held in October 2003, June 2005, October 2007, March 2010, December 2011, and October 2013. The last three dialogues focused on the theme of “The Monterrey Consensus, Doha Declaration on Financing for Development and related outcomes of major UN conferences and summits: Status of implementation and tasks ahead.” Participants included ministers, vice-ministers and other high-level government officials, senior representatives from the major institutional stakeholders including the World Bank, IMF, WTO, UNCTAD, the UN Development Programme (UNDP) and other international organizations, and representatives from civil society and business as observers.

UNGA RESOLUTION 57/273: In December 2002, the UNGA adopted resolution 57/273, calling for the establishment of secretariat arrangements to provide effective substantive support for sustained follow-up within the UN to the agreements and commitments reached at the First FfD Conference. In accordance, a Financing for Development Office was established within the Department of Economic and Social Affairs on 24 January 2003.

UNGA RESOLUTION 62/187: During its 62nd session in January 2008, the UNGA decided that a Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus would be held in Doha, Qatar, from 29 November to 2 December 2008 (62/187).

FOLLOW-UP INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT TO REVIEW THE IMPLEMENTATION OF THE MONTERREY CONSENSUS: During the preparatory process for the Follow-up Conference, substantive informal review sessions on the six thematic areas of the Monterrey Consensus, informal consultations, hearings with civil society and the business sector, and regional consultations were organized through 2008. In July 2008, the UNGA President released a draft outcome document. Informal consultations on this draft took place in September, and drafting sessions were held in October and November 2008.

The Doha Conference, which took place in the midst of a global economic crisis, included plenary meetings and interactive multi-stakeholder roundtables on the six major thematic areas of the Monterrey Consensus. In addition to the summaries of the plenary meetings and roundtable discussions, the report of the Conference included a Doha Declaration on Financing for Development, adopted after intense negotiations. The Declaration reaffirmed the Monterrey Consensus; stressed the need to maintain aid commitments despite global economic uncertainty; and called for a UN conference at the highest level to examine the impact of the world financial and economic crisis on development.

UNGA RESOLUTIONS 68/204 AND 68/279: At its 68th session in January 2014, in resolution 68/204, the UNGA decided to convene a third international conference on financing for development. The scope of the conference is to: assess progress in the implementation of the Monterrey Consensus and the Doha Declaration; reinvigorate and strengthen the

financing for development follow-up process; identify obstacles and constraints encountered in the achievement of the goals and objectives, and actions and initiatives to overcome these constraints; and address new and emerging issues, including the synergies between financing objectives across the three dimensions of sustainable development, and the need to support the UN development agenda beyond 2015.

In resolution 68/279, adopted in June 2014, the UNGA decided that the conference would be held in Addis Ababa from 13-16 July 2015. Stressing the need for coherence and coordination and to avoid duplication, the resolution emphasizes the need for effective coordination between the preparatory process for the conference and the preparations for the UN Summit to adopt the post-2015 development agenda in September 2015. The resolution also notes that the reports of the Intergovernmental Committee of Experts on Sustainable Development Financing, the Open Working Group (OWG) on Sustainable Development Goals (SDGs), and the Secretary-General's synthesis report on the post-2015 development agenda should serve as important inputs to the preparations for the conference.

The President of the 69th UNGA session appointed Ambassadors George Talbot (Guyana) and Geir Pedersen (Norway) as Co-Facilitators for the preparatory process.

FIRST DRAFTING SESSION: The first drafting session of the FfD3 outcome document took place at UN Headquarters in New York from 28-30 January 2015. There was broad consensus to: build on the Monterrey Consensus, with some additions; synergize with the post-2015 process; and include a strong gender focus. It was announced that the Co-Facilitators would prepare a zero draft reflecting the discussions before the next drafting session.

SECOND DRAFTING SESSION: The second drafting session was held from 13-17 April 2015 in New York. Delegates commented on a zero draft of the "Addis Ababa Accord" circulated by the Co-Facilitators, with two main sections. Section I focused on a global framework for financing sustainable development, and mobilizing the means to implement the post-2015 development agenda. Section II, on the "Addis Ababa Action Agenda," included eight sub-sections: domestic public finance; domestic and international private business and finance; international public finance; international trade for sustainable development; debt and debt sustainability; systemic issues; technology, innovation and capacity building; and data, monitoring and follow-up. A reading of the entire zero draft was carried out with delegates providing general comments. It was agreed that the comments would be compiled in a document, in addition to a revised draft prepared by the Co-Facilitators.

INFORMAL CONSULTATIONS: At the first additional informal session, from 12-15 May 2015, delegates conducted a paragraph-by-paragraph review of the revised draft. In this revised draft, the sub-section on data, monitoring and follow-up from the Action Agenda was included as a main section. As a result, there were three main sections: a global framework for financing sustainable development; the Action Agenda; and data, monitoring and follow-up. The Action Agenda included the remaining seven sub-sections from the zero draft, with

changes to the following three titles: domestic public resources; international trade as an engine for development; and STI and capacity building.

At the second additional session, from 26-29 May 2015, the first 47 paragraphs of a new revised draft, incorporating comments from the first additional session, were considered. The remaining paragraphs of the revised draft were considered at the third additional session, from 1-5 June 2015. Differences still remained on a number of issues, including: follow-up and review; international public finance; technology, including the technology facilitation mechanism (TFM); tax matters; deliverables; and guiding principles such as the principle of common but differentiated responsibilities (CDBR) and universality.

To address the differences, the Co-Facilitators circulated "bridging proposals" and organized another set of informal consultations from 8-12 June 2015.

REPORT OF THE THIRD DRAFTING SESSION

Opening the third drafting session for the FfD3 outcome document on Monday, 15 June 2015, UNGA President Sam Kutesa said negotiations had reached a "critical and decisive stage," and called for consensus on an ambitious outcome that includes commitments to, *inter alia*: renew and reinvigorate the partnership for development; improve national policy measures to widen the revenue base; increase international cooperation on tax matters; provide 0.7% of developed country gross national income (GNI) for official development assistance (ODA), with 0.15-0.2% for least developed countries (LDCs); and enable private flows.

Wu Hongbo, UN Under-Secretary-General for Economic and Social Affairs, called for a holistic financing framework for sustainable development that will contribute to the success of the UN Summit to adopt the post-2015 development agenda and the 2015 Paris Climate Change Conference.

Co-Facilitator George Talbot highlighted the need to conclude negotiations on the draft during the week, and noted the delegations' increasing openness to compromise. Co-Facilitator Geir Pedersen echoed the need to conclude negotiations by the end of the week in order to mobilize political support and allow additional commitments to be announced on the sidelines of FfD3.

South Africa, on behalf of the Group of 77 and China (G-77/China) and supported by the LDCs, stressed that the FfD3 outcome document should: resemble the Monterrey Consensus and Doha Declaration in scope and structure including titles and sub-titles; retain the traditional definition of ODA and reaffirm ODA as the main source of development finance; respect the classification of developing countries; maintain FfD3, the SDGs and the UN Framework Convention on Climate Change (UNFCCC) as separate tracks; establish an intergovernmental commission on review and follow-up; and upgrade the UN Committee of Experts on International Cooperation in Tax Matters and the UN Statistical Commission into intergovernmental bodies. He opposed attempts to "equate" SDG 17, on means of implementation (MOI) and global partnerships for sustainable development, with the FfD3 outcome.

The European Union (EU) stated that the lack of an agreed text by the end of the week would have “deleterious consequences” on the level of participation at the FfD3 conference, and the launching of partnerships and initiatives to support implementation of the FfD3 outcome and the SDGs. Noting the presence of many officials from capitals, he expressed willingness to enter any mode of negotiation that would facilitate the process.

The Community of Latin American and Caribbean States highlighted the need for key deliverables, *inter alia*: fulfillment of ODA commitments; contribution to national priorities by public-private partnerships; full and permanent sovereignty over natural resources; support for the TFM; conclusion of the Doha round under the WTO with elimination of subsidies on agriculture exports; enhancement of transparency, supervision, and regulation of the international financial system; and increased developing country participation in the setting of global norms on taxes. He stressed that FfD3 and the post-2015 development agenda are two separate tracks with their own dynamics.

Zambia said the UN Office of the High Representative for the LDCs, Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS) had recently organized a high-level meeting in Livingstone, Zambia, the outcomes of which would be communicated as specific suggestions during the discussions on the FfD3 outcome document.

Benin, for the LDCs, proposed an LDC package as part of the Addis outcome including, *inter alia*: earmarking 0.2% of developed country GNI for LDCs by 2020-2025; debt cancellation; capacity building; infrastructure development; commitment to implement the Bali Package on trade; support to operationalize the TFM; establishment of an international investment support center for LDCs; a crisis mitigation and resilience-building fund for LDCs; recognition of LDCs by the World Bank and IMF, including implementation of UN recommendations relating to LDCs; and an intergovernmental commission under the UN to monitor FfD3 commitments.

The US prioritized channeling ODA to the poorest, most vulnerable, and fragile and conflict-affected countries; domestic resource mobilization; STI; data to monitor progress and make evidence-based policy decisions; support for sustainable infrastructure development; the role of multilateral development banks (MDBs); and a robust and inclusive agenda.

Ethiopia, as the host country, reiterated the need to complete the drafting process by the end of the week, and informed delegates that conference preparations were on track.

Co-Facilitator Talbot informed delegates that “informal-informals” would take place during the week to resolve difficult issues, noting the need for informal discussions on tax.

Member States then moved on to consider the draft outcome document dated 12 June 2015. The document included green paragraphs that were “bridging proposals” by the Co-Facilitators; comments in bold from the second drafting session; and comments in color from the inter-sessional drafting sessions. The bridging proposals were considered first.

On Monday, delegates considered the bridging proposals in Section I, a global framework for financing sustainable development; and parts of Section II, on the Action Agenda, including chapters on domestic public resources, and domestic

and international private business and finance. On Tuesday, the remaining bridging paragraphs of the Action Agenda were negotiated, pertaining to: international public finance; debt and debt sustainability; addressing systemic issues; and STI and capacity building. Member States also discussed the bridging paragraphs in Section III, on data, monitoring and follow-up. At the end of the morning session on Tuesday, the Co-Facilitators informed delegates that 20 additional bridging paragraphs would be circulated for consideration. They also announced that they would identify individuals to lead “informal-informals” on trade (“co-co-facilitated” by Tarik Iziraren, Morocco, and Ronald Wormgoor, the Netherlands); and on debt (co-co-facilitated by Jens Ole Hansen, Denmark, and Kimberly Louis, Saint Lucia).

On Wednesday morning, delegates negotiated text in the section on a global framework for financing development. Plenary was then adjourned until the evening, to allow for informal consultations. When plenary resumed, delegates commented on the Co-Facilitators’ new bridging paragraphs for the chapter on addressing systemic issues. Informal-informals continued through the day on trade and debt, and also on tax, co-co-facilitated by Tishka Francis, Bahamas, and Harinder Sidhu, Australia.

Delegates participated in informal consultations throughout the day on Thursday on: trade; tax; debt; follow-up (co-co-facilitated by Tamer Mostafa, Egypt; Michael Gerber, Switzerland; and Noel González Segura, Mexico); international public finance (co-co-facilitated by Barbara Hendrie, UK, and Abdallah Bachar Bong, Chad); technology (co-co-facilitated by Gabriel Normand, France and Vicente Bezzara, Brazil) and global partnership (co-co-facilitated by Gavin Buchan, Canada, and Francella Strickland-Simonet, Samoa). Delegates also continued to meet bilaterally and in small groups. On Thursday afternoon, in a brief plenary session, the Co-Facilitators informed Member States that a new draft would be issued shortly, incorporating the “fruits” of the informal discussions.

The new text was issued by Co-Facilitators on Friday morning. After allowing time for governments to review and coordinate on the text, plenary opened briefly in the evening, after which the “informal-informals” and other consultations continued.

The session was extended to Saturday, 20 June. When plenary was briefly convened on Saturday morning, UN General Assembly (UNGA) President Sam Kutesa called on delegations to enter a “solutions and conciliatory mode” on remaining issues where agreement was close, and to exercise maximum flexibility to overcome remaining areas of divergence. Kutesa said an agreed document was essential to bring hope to people and encourage high-level participation at the Addis conference. Plenary was then suspended, and an informal plenary was initiated to discuss the 19 June version of the text, which was slightly amended on Saturday morning to include paragraphs that had been inadvertently left out or misplaced. Member States spent several hours conducting a reading of the text, encouraged by the Co-Facilitators to only highlight “redline” issues. The informal plenary was suspended at 5:13 pm for informal consultations.

Following brief updates from the Co-Facilitators to indicate that negotiations were still ongoing, at 4:55 am on Sunday, 21 June, the Co-Facilitators informed delegates that significant

progress had been made throughout the night, and a new draft would be issued a few hours later, and be put forward to a plenary convened at the ambassadorial level at 10:00 am. The plenary opened at 12:10 pm, and was attended by UNGA President Kutesa and UN Deputy Secretary-General Jan Eliasson, in addition to Permanent Representatives and Deputy Permanent Representatives. A meeting between the Co-Facilitators the principals of the negotiating teams took place after the plenary, which ended at 12:43 pm, followed by informal consultations throughout the day. Plenary reconvened at 9:45 pm on Sunday, and then again at 9:17 pm on Monday, 22 June, for updates on the process, while informal meetings continued during both days, mainly on tax matters, CBDR and countries and peoples living under foreign occupation.

At the plenary on Monday, Co-Facilitator Talbot announced that although the draft was almost finalized, taking on board all the redlines to find a place of convergence, there were a couple of issues of great sensitivity on which consultations were ongoing at the political level, and it was in the best interest of the process to give them time. He announced that plenary would reconvene on Thursday, 25 June, at 6:00 pm.

Member States raised procedural questions at different stages of negotiations. The G-77/China queried how the meeting would address paragraphs for which no bridging proposals have been issued, noting it would like to see the whole document. On Saturday night, the United Arab Emirates, supported by Nigeria, asked for information on where informal consultations were being held. Co-Facilitator Talbot responded that consultations were being held in various formats, of which some were open and others were mainly bilateral.

The following summary is organized by the structure of the draft outcome document.

THE DRAFT ADDIS ABABA ACCORD OF THE THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR DEVELOPMENT

I. A GLOBAL FRAMEWORK FOR FINANCING

DEVELOPMENT POST-2015: Discussions on this section of the draft outcome first took place on Monday morning, 15 June, when the bridging paragraphs were discussed.

In a paragraph relating to the goal of FfD3, Suriname for the G-77/China, supported by the EU, proposed addressing the challenge of financing and creating “an enabling environment at all levels” for sustainable development. The US supported a commitment to “respect all human rights,” but, opposed by the G-77/China, noted reservations on the reference to the right to development.

Considering text on the tasks of the FfD3, the G-77/China, opposed by the EU and the US, suggested further strengthening the FfD framework, “taking into account the need to integrate the three dimensions of sustainable development.”

On a paragraph concerning progress since the adoption of the Monterrey Consensus, the G-77/China, opposed by the US, proposed deleting “substantially” in text noting that global financing flows had increased “substantially.” The G-77/China, opposed by the EU, the Republic of Korea and the US, called for the deletion of “from an increased number of actors” from text referencing the mobilization of financial and technical resources

for development. Co-Facilitator Talbot proposed the inclusion of “overall” to reflect more generally the advances made since the adoption of the Monterrey Consensus.

In a paragraph listing groups of countries still facing particular challenges, such as LDCs, LLDCs, SIDS, Africa and middle income countries (MICs), delegations supported a reference to note only that “many developing countries still face particular challenges,” and agreed to address specific groups later in the document.

In a reference to “people in vulnerable situations and marginalized groups” being excluded from economic participation, the G-77/China and the Russian Federation, supported by Nigeria, called to delete the reference to marginalized groups. The US preferred to note “people in marginalized groups.” Palau, who had first introduced this language, explained that both phrases should be retained as they refer to different issues—“people in vulnerable situations” refers to people who cannot speak for themselves, while “marginalized groups” refers to situations where discrimination blocks participation.

In text on changes in the world since the Monterrey Consensus, the G-77/China preferred to note risks and vulnerabilities present in both the financial “and economic” system, and shocks from both “financial and” economic crises.

The EU, the US and Japan noted that “enormous unmet financing needs for sustainable development” should not specify “financing,” as non-financial needs were also important.

On the nature of responses and solutions, the EU asked to highlight specific issues such as human rights and gender equality. He opposed selective references to the principles from the 1992 Rio Declaration on Environment and Development.

On the achievement of gender equality and empowerment of women, the US opposed the use of language from the proposed SDGs on the realization of human rights for sustainable economic growth and development; and the comprehensive implementation of financial, social, and economic policies.

On investing in children and youth, the G-77/China called for an emphasis on supporting children in developing countries. The US, supported by the EU, noted the need to refer to children everywhere. Canada said investing in children was not just right, but also the smart thing to do, given the economic benefits. The G-77/China opposed the inclusion of “sustainable human development,” noting that it was not an agreed concept.

The G-77/China supported the use of “policy space” in text on respecting “each country’s policy space and leadership,” stressing the need for broader flexibility, while the EU and Canada preferred reference to “policies.”

In a sentence on supporting national development efforts with “strengthened global economic governance,” the G-77/China, opposed by the EU, the US and Japan, called to expand the language to “strengthened and reformed.” Co-Facilitator Talbot proposed “enhanced” as a bridge between the two preferences.

The G-77/China called for the use of agreed language on developing and sharing technologies: “development, diffusion and transfer on favorable terms, including on concessional and preferential terms, as mutually agreed.”

In text on addressing issues and identifying actions relevant to the proposed SDGs and targets, the US noted that the proposed SDG targets were not the subject of these negotiations.

The G-77/China said text on MOI required to achieve the post-2015 development agenda should specify “adequate and predictable” MOI.

In the heading of a paragraph on “Delivering social protection and essential public services for all,” Mexico proposed a specific reference to those living below the poverty line. The G-77/China proposed a more limited focus on nationally appropriate minimum levels of social protection and essential public services, and the deletion of a reference to nationally appropriate spending targets.

The EU called for social protection systems to include those in vulnerable situations.

In a list of sectors for which equitable access should be provided, Turkey, the Russian Federation and the US added safe water, and Turkey suggested adequate sanitation. In a list of essential public services, the G-77/China proposed including energy.

In text on a social compact between state and citizens, the G-77/China proposed adding reference to global funds for education, health systems and infrastructure. The US and Japan supported this proposal except for the reference to global funds, which the US said could lead to fragmentation.

Delegates discussed the remaining parts of this section on Wednesday morning, 17 June. Introducing a paragraph on solutions for financing for development, Co-Facilitator Talbot invited delegates to consider actors involved in forming necessary partnerships, their roles, instruments, and supporting principles.

The G-77/China urged inserting language on renewing the global partnership for development before text on the roles and responsibilities of various actors. He noted the need to include the principle of CBDR, given the emphasis on the three dimensions of sustainable development, which includes the environment.

The EU highlighted policy environments, as key priorities: civil society participation, poverty eradication, gender rights, resilience, and effective and accountable institutions. He said CBDR has its origin in an entirely different forum, with no place in the FfD3 discussions. The G-77/China responded that FfD3 was being constantly linked with the post-2015 development agenda, where CBDR is an agreed principle.

Supporting the G-77/China, the Russian Federation said the FfD3 draft included several new elements that were not part of the Monterrey or Doha outcomes, including a new section on technology. He called for deleting the word “transformative” with reference to the potential of people, saying the word was overused without a clear definition.

Mexico highlighted the need to strengthen global economic governance.

In another paragraph on global partnerships, the G-77/China noted an implication in the text that FfD is the MOI for the post-2015 development agenda. Reiterating the Group’s view that the two are not the same, although FfD3 should support post-2015 development MOI, he said principles such as universality, shared responsibility and a multi-stakeholder approach, mentioned in the paragraph, do not apply to FfD3.

Japan said “shared responsibility” is found in both the Millennium Declaration and the outcome of the 2013 Special Event on the Millennium Development Goals (MDGs). The

G-77/China said UNGA resolution 68/6, the outcome of the September 2013 Special Event, is the first UN decision on the post-2015 development agenda, and called attention to paragraph 18 of the resolution, with regard to the 1992 Rio Principles and CBDR.

The US, responding to concerns about using “universality” as a guiding principle for a new global partnership, suggested indicating that efforts are focused on developing countries and those most in need.

On a separate paragraph regarding the global partnership, the EU suggested avoiding references to North-South approaches and to CBDR. The G-77/China reiterated that: the global partnership directly concerns the relationship between North and South; and preferred the deletion of references to parliaments and sub-national actors. The US stressed that the Monterrey Consensus and Doha Declaration were based on a consensus that “we are all in this together,” which he noted is not reflected by language highlighting the North-South divide. Canada proposed that language on the global partnership be reflected earlier in the document, and this paragraph focus specifically on multi-stakeholder partnerships.

Japan recalled language in the Doha Declaration on reinvigorating the global partnership for development in order to effectively address the full range of financing for development challenges, and proposed either further in-depth discussions on the global partnership, or reverting to the language contained in the Doha Declaration.

Co-Facilitator Talbot informed delegates that the Co-Facilitators would work on merging the various paragraphs on the global partnership based on language from the Doha Declaration, and redraft a separate paragraph to focus on multi-stakeholder partnerships.

On text related to the financing needs of “fragile and conflict affected states,” the US said it was working with members of the g7+ (conflict affected states) who are also members of the G-77/China, to find a shared understanding.

On a paragraph listing groups of countries in special situations and facing specific challenges, the G-77/China and the Arab Group reiterated the need to recognize special situations, especially of developing countries.

The US, supported by the EU and Japan, noted their inability to support the African Union’s Agenda 2063 and 10-year Plan of Action, being non-parties, and expressed reservations about a comprehensive strategy on MICs. The G-77/China responded that the UN has adopted resolutions on Agenda 2063. Mexico said it could provide information on the comprehensive strategy, stressing that MICs must be considered. Canada said MICs are not “a coherent and cohesive body” in terms of their situation, and suggested dividing the text into two paragraphs: one on countries in special situations such as LDCs, SIDS, LLDCs, and fragile states; and another on the special situations affecting many in MICs.

On the establishment of a new platform to bridge the infrastructure gap, the EU, opposed by the G-77/China, asked to delete quantified estimates of the annual infrastructure finance gap of US\$1-1.5 trillion. Japan opposed a single global platform and said major stakeholders such as MDBs and bilateral aid agencies should be engaged. The US urged avoiding prescriptive language on the infrastructure platform.

The G-77/China, supported by the EU, noted the need for a separate paragraph on industrialization. The EU, supported by the US, asked for the deletion of references to “adequate space to use policy instruments” and “adequate financing.”

On a paragraph on boosting financial access for micro-, small- and medium-sized enterprises (MSMEs), the EU called for reference to the need to promote skills to meet national and international standards, and proper risk management and regulatory frameworks. The G-77/China noted the paragraph was about access to credit, and skills may not fit in. He also highlighted the Group’s sensitivities to the reference to innovative financing in the paragraph. The US proposed “promoting” instead of “ensuring” stable access to credit.

Japan said his proposal for an additional paragraph on protecting ecosystems for all could serve as a bridging paragraph between FfD3 and the post-2015 agenda. Switzerland said it had worked on merging their proposal with Japan’s to include language on being mindful of impacts on the planet, and looked forward to comments from other groups. Israel called for a reference to renewable energy.

On a paragraph on creating the right conditions to attract private capital proposed by the US, the G-77/China noted the need to go beyond ensuring returns on investments, and proposed merging the paragraph with the Group’s proposed paragraph on ensuring that foreign direct investment (FDI) employs maximum local content. Canada, supported by Mexico, proposed language on blended finance, to mitigate risk and attract additional investments.

Delegates met in informal discussions on Saturday, 20 June, to discuss a new text circulated on 19 June, and reissued on 20 June with some paragraphs that had been inadvertently left out in the earlier document.

Commenting on the first section, Suriname, for the G-77/China, noted progress in some areas. He indicated the Group’s willingness to work with the new title, “A Global Framework for Financing Development Post-2015.” He called for: inclusion of language on the right to development and focus on poverty eradication, using language agreed at Rio+20; clarification on linkages between FfD3 and the post-2015 development agenda; reworking of language referring to “great strides” made in mobilizing resources for development; inclusion of a list of developing countries facing the challenge of poverty eradication, including MICs; deletion of a reference to marginalized people; a clearer reference to CBDR; and inclusion of countries with foreign occupation in the list of countries in special situations. He also called for: special reference to the enhanced global support needed by LDCs; deletion of a sentence referring to directing international public finance in ways that respect the principles set out in the New Deal by the g7+ group of countries that are, or have been, affected by conflict; inclusion of language on the need for international rules and commitments to respect policy space, and the need to reform global economic governance; and revision of text on an “enhanced Global Partnership for Sustainable Development,” which, he noted, did not yet exist.

Other delegations, including the Russian Federation, expressed support for the reference to the enhanced Global Partnership for Sustainable Development, but suggested that it

refer instead to the “enhanced global partnership for sustainable development” in lower-case letters, to which Co-Facilitator Talbot agreed.

The EU preferred “Global Framework for Implementing the Post-2015 Framework” as a title for this section of the outcome document; called for text on the protection and promotion of human rights in a paragraph on gender equality and the empowerment of women and girls; and stressed that FfD3 discussions are geared towards providing MOI for the post-2015 development agenda. Supported by the US, the EU, Japan and Canada, he also called for reference to the “most relevant” declarations and principles, including the Millennium Declaration and the Monterrey Consensus; and for avoiding general references to policy space.

The Russian Federation opposed references to marginalized peoples and the UN Peacebuilding Fund.

The US raised concerns on: references to the tax committee; the follow-up section; the politicization of the document through references to countries in foreign occupation; CBDR within FfD; and the TFM. She called for: the deletion of references to the right to development, and to MICs; referring to the need to address poverty in all countries, not just developing countries; and, supported by Australia and Japan, the use of agreed language, “reaffirming the importance of supporting,” instead of “commit to strengthen support for” the implementation of relevant strategies and programmes of action, including, *inter alia*, the African Union’s Agenda 2063. The G-77/China called for including a reference to the Common African Position for the post-2015 development agenda in this list of strategies.

Australia noted that the right to development is neither a universal nor a global human right.

Canada called for a more explicit reference to FfD3 being the MOI pillar for the post-2015 development agenda, and supported the reference to marginalized groups.

The EU, Japan and Canada objected to the G-77/China suggestion to add a specific reference to CBDR, and instead proposed referencing the Millennium Declaration and Monterrey Consensus among other agreements.

The G-77/China called for text stating that “international rules and commitments should take into account policy space” to implement policies, while Japan, Australia and Canada suggested using language from the Doha Declaration.

The G-77/China urged a mention of “reformed,” not only “strengthened and enhanced,” global economic governance.

In the paragraph on social protection and public services, the EU, Iceland, Japan, Israel, Australia called to refer to persons with disabilities, to which the G-77/China agreed. Iceland and Australia suggested including indigenous peoples and children/youth.

Canada recommended committing to “promote,” not “provide,” social protection systems.

Delegates also discussed the reference to international support for providing services to communities.

In the paragraph on “scaling up efforts to end hunger and malnutrition,” the G-77/China, EU, Iceland, Turkey, Israel, Australia, Canada and the US called for restoring the reference to food loss and waste.

The G-77/China said the latest version had lost an important reference to revitalizing agriculture and sustainable development. The Republic of Korea called for a reference to the Group of 20's initiative to reduce post-harvest losses. Canada called for references to food systems, and supported by the EU and Iceland, the important role of the Committee on World Food Security (CFS). The US proposed a reference to climate-smart agriculture; questioned the statement that the majority of the poor live in rural areas; and called for references to urbanization and migration from rural to urban areas.

On bridging the infrastructure gap, Japan wished to ensure that new infrastructure initiatives being developed would adhere to established international standards. The LLDCs called for a reference to special windows for LLDCs in infrastructure financing initiatives. The G-77/China said the proposed global infrastructure forum should not be tasked with ensuring that individual projects are environmentally, socially and economically sustainable.

Israel and Australia called to restore language on skills for MSMEs, in text on full and productive employment and decent work for all.

On creating sustainable consumption and production (SCP) patterns, the G-77/China suggested using language proposed in SDG 12. The US suggested recognizing the importance of avoiding harmful activities and committing to incentivize SCP.

In text on peaceful and inclusive societies, the EU and the US called for a reference to good governance. The G-77/China objected to a reference to meeting all goals and targets of the post-2015 development agenda "underpinned by our strong commitment to protect and preserve our planet and natural resources, our biodiversity and our climate."

On social protection and essential public services for all, the Russian Federation called for the phrase "commitment to a new social compact" to be deleted, along with the call for fiscal sustainability of social protection systems. On the "need to promote peaceful and inclusive societies for achieving sustainable development," the Russian Federation called for use of language from the proposed SDGs regarding equal access to justice.

The EU, supported by Palau and opposed by the Russian Federation, proposed referencing carbon taxes for domestic resource mobilization. Palau and New Zealand called for persons with disabilities to be mentioned. Palau also noted the need to improve access to nutrition; called for the inclusion of marine ecosystems, with support from the G-77/China; and supported the inclusion of good governance in the paragraph on the "need to promote peaceful and inclusive societies for achieving sustainable development."

II. ACTION AGENDA

A. Domestic public resources: When delegates discussed this chapter on Monday, 15 June, Suriname, for the G-77/China, opposed by the EU and the US, reiterated preferences to: change the title of the section to "mobilizing domestic resources for development;" remove a reference to placing domestic public resources at the "core" of the pursuit for sustainable development, stating that international resources are also important; and change a reference to generate "sustainable and inclusive growth" to "sustained, inclusive and equitable growth."

Supported by the US, the G-77/China called for deletion of "public" in a reference to "domestic public resources," saying all sources of domestic resources will be important.

The G-77/China, opposed by the EU and the US, also proposed deletion of a reference to domestic enabling environments, saying it was repeated in the previous paragraph; and proposed deletion of a reference to "rule of law" to ensure inclusive growth, saying the paragraph was focused on economic issues. Supported by the EU, he suggested referring to sound economic policies instead of only macroeconomic policies; and for prioritizing poverty eradication as an outcome of domestic measures.

The Russian Federation, supporting the G-77/China, queried a reference to the role of "independent" media, asking whether privately funded media could be considered independent; and asked why other non-state actors such as the private sector were not included with civil society and media as important actors.

Commenting on a paragraph regarding gender equality, women and girls' empowerment, and social inclusion in domestic policies, the G-77/China, opposed by Switzerland, the EU and Iceland, proposed including youth and people with disabilities, and, with Israel, also suggested including language on the operationalization of a global strategy for youth employment.

On text concerning productive employment and decent work for all, the G-77/China preferred the deletion of a reference to the International Labour Organization's Global Jobs Pact. The US noted that the Pact is part of a menu of options and supported implementing "appropriate elements" from it.

Japan, opposed by the G-77/China, called for the deletion of "increasing ODA" from language on bilateral and multilateral technical assistance, noting that technical assistance is part of ODA. The G-77/China called for the deletion of text on countries aiming to set "nationally defined domestic targets and timelines" for enhancing domestic revenue, noting that this may be challenging for some developing countries to achieve. The US, supported by Canada, opposed, noting that countries wishing to set national targets should be encouraged to do so.

The G-77/China called for a focus on eliminating illicit financial flows (IFFs) by 2030, while the EU and the US urged aspirational language noting, *inter alia*, that a goal to eliminate IFFs by 2030 would lack practicality.

The G-77/China proposed a new paragraph calling for the elimination of safe havens and for assistance in the recovery of stolen assets to countries of origin. The US, supported by the EU, proposed a commitment to eliminate cross-border transfers of stolen assets and illicit finance. The EU supported adding anti-abuse clauses in tax treaties.

Noting the lack of access to data on individuals, companies and banks, the IMF expressed its inability to publish estimates on the volume and breakdown of international financial flows. Supporting the IMF, the US and the EU opposed language calling for the publication of estimates by 2017. The G-77/China noted it was important to retain reference to international financial flows, particularly given the emphasis on domestic resource mobilization. The World Bank emphasized building national capacity to tackle international financial flows and called for action at the national level instead.

On the challenges faced by countries relying significantly on natural resource exports, the G-77/China called for a focus on value addition, and strengthening capacity for contract negotiations to increase domestic revenues. The US called for a reference to the Strengthening Assistance for Complex Contract Negotiations initiative.

On international tax cooperation, Member States considered: upgrading national capacity; promotion of regional administration networks; and addressing harmful tax competition. Mexico called for inclusion of language on anti-money laundering.

On combating corruption, Member States supported ratification and accession to the UN Convention against Corruption (UNCAC). The G-77/China called for countries to reveal the extent of implementation of UNCAC commitments, while noting the need to develop good practices on asset return, and strengthen regulatory frameworks at all levels.

On mobilization of domestic resources and public financial management, the US, Canada, the EU, Mexico, and the Republic of Korea, opposed by the G-77/China, supported mentioning the Extractive Industries Transparency Initiative and Open Government Partnership.

In a paragraph on developing resilient infrastructure at the sub-national level, the G-77/China noted that this would imply extra costs. Mexico and Australia stressed that rebuilding after a disaster is more costly than building resilient infrastructure.

The Russian Federation and the G-77/China called for consistency throughout the text on terms such as “sub-national” and “municipal.”

The G-77/China proposed replacing “climate-friendly” resilient infrastructure projects with “environmentally friendly.” The EU call for resilient “and environmentally sound” infrastructure was opposed by Japan.

The G-77/China suggested strengthening a sentence on supporting national and local capacity for risk and external shock management.

When Member States met on Saturday to discuss the 19/20 June text, the EU called, *inter alia*, for reference to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises in a paragraph on a dynamic and well-functioning business sector, and deletion of language on: public and private investments providing affordable infrastructure services; carbon capture and storage (CCS); and increasing direct investments to MICs. Supported by Canada, he called for an aspirational rather than firm target to reduce the cost of remittances to 3%. Supported by Japan and Australia, he asked for deletion of a reference on “increasing” resources to strengthen capacity development for developing countries in a paragraph on access to financial services; and, supported by Australia, called for changes to a sentence stating that remittances “cannot be equated to international financial flows.”

Canada, supported by Australia and Japan, called for deletion of a reference to improve direct investment to countries living under foreign occupation; and called for more positive language on the role of the private sector.

Switzerland welcomed the 3% benchmark to reduce the cost of remittances and, supported by Mexico, called for reintroduction of language on migration. Mexico also called for

deletion of any reference to “legal migration,” and supported by Japan, opposed deleting the reference to increase direct investment to MICs.

On reducing and eventually eliminating IFFs, the EU called for anti-abuse clauses in all treaties. The G-77/China supported language on the elimination of IFFs, calling its deletion a “redline” for the Group. The World Bank noted the lack of an agreed definition of IFFs and said if it was to be included in the text, the focus must be on improving capacities to tackle IFFs at the national level.

On safe havens and transfer of stolen assets, the EU, supported by the G-77/China, encouraged development of good practices. Switzerland, supported by Lichtenstein and the G-77/China, noted the lack of an agreed definition on safe havens and also called for language on asset recovery.

The EU, along with Australia, Japan, Canada, New Zealand and the US, opposed any language on upgrading the UN Committee of Experts on International Cooperation in Tax Matters. The G-77/China said it could not support postponing the upgrade of the Committee to an intergovernmental body. The Russian Federation said existing ECOSOC language on tax cooperation could be acceptable to all.

On elimination of fossil fuel subsidies, the EU, supported by Switzerland, New Zealand, Mexico and Palau, and opposed by Canada, called for phasing out fossil fuel subsidies as opposed to “rationalizing” them.

Mexico urged retaining language on gender-sensitive budgeting, noting that his country already had domestic legislation supporting it.

On the need for additional resources to realize the sustainable development agenda, the G-77/China, opposed by the US, supported language on increasing ODA and improving its quality, instead of only “enhancing” ODA.

On international cooperation on taxes, the G-77/China asked to delete language on avoiding a “race to the bottom” noting that the use of policy tools by governments could not be limited.

The G-77/China, opposed by the US, Canada and Mexico, asked for the reference to the Open Government Partnership to be deleted. The Russian Federation said the Partnership could be taken note of, instead of being welcomed.

Iceland supported the G-77/China’s proposal to move language on domestic policies and legislation promoting gender equality to the first Section of the draft, on a global framework.

B. Domestic and international private business and finance: The US supported a paragraph on the role of business, investment, competition and innovation in addressing poverty and inequality. The EU called for language inviting businesses to invest in areas critical to sustainable development in accordance with principles of development effectiveness. The G-77/China proposed including reference to FDI and international flows, and preferred including “free and fair” to the reference to competition.

In a paragraph welcoming the significant growth in domestic private activity and international investment since Monterrey, the G-77/China suggested deleting language describing private finance as larger than all public finance combined; and adding text on the concentration of FDI in a few extractive sectors.

On a paragraph regarding the role of public policy in creating enabling environments and regulatory frameworks to encourage entrepreneurship, domestic business sectors, job creation, and long-term investment in sustainable development, the G-77/China and the EU called for including language on promoting financial literacy. The EU also called for language on leveraging private finance through innovative approaches for countries in conflict.

On a paragraph calling for companies to adopt principles and reporting standards for socially and environmentally responsible business, the US preferred that companies be “encouraged” to adopt such principles and rules. Switzerland called for the inclusion of the FAO Principles for Responsible Investment in Agriculture and Food Systems.

On a paragraph on robust risk-based regulatory frameworks for all financial intermediation, the G-77/China proposed deletion of a reference to design policies “that are aligned with long-term performance and sustainability indicators, and that reduce excess volatility,” while the EU and the US supported its retention.

On a paragraph on access to financial services, the Russian Federation proposed a reference on financial literacy as key to financial inclusion. The G-77/China opposed reference to two financial inclusion initiatives, the Consultative Group to Assist the Poor and the Global Partnership for Financial Inclusion, while supporting a reference to the UN Capital Development Fund.

The G-77/China raised objections on a paragraph on remittances, saying the only reference that could be made to remittances in an international context was how to make them cheaper and more efficient, and have a greater impact on development. Mexico, supported by the US and Switzerland, called for a reference to financial inclusion through remittances. Canada, opposed by Switzerland, called for deletion of the reference to limit remittance charges to 5%. Mexico pointed out that the 5% limit had already been adopted by the G-20. Switzerland supported inclusion of a reference to financial literacy, and supported the reference to addressing the negative trend of banks withdrawing remittance services.

In a paragraph on gender equality, the EU called for a reference to fulfilling the human rights of women and girls.

In text on ensuring access to ownership and control over land and other forms of property and inheritance, the G-77/China, supported by the Arab Group, stressed the need to delete “ownership and control over” and “inheritance,” recalling the Group’s reservation on similar text in the OWG outcome document. The US cited agreed language from the Beijing Platform for Action on equal pay, saying the text should encourage equal pay for “equal work or work of equal value.” Several countries, including the Russian Federation, Mexico, Switzerland, Iceland and Australia, supported the existing paragraph.

In a call for increased transparency in philanthropy, the G-77/China, opposed by the US, suggested adding “and accountability.”

In text recognizing obstacles in MSMEs accessing financing, the G-77/China objected to “singling out” MSMEs owned by women. The Russian Federation, the EU and the G-77/China suggested noting “lack of collateral for credit” as an impediment

to lending to MSMEs, while Mexico objected to referring to lack of information as a key impediment, preferring to highlight financial aspects instead.

The US called for text supporting the establishment of both public and private national-level credit bureaus.

In a paragraph on meeting longer-term financial needs, the G-77/China called for several changes, including: changing local capital markets to “domestic” capital markets; “underlining” the effectiveness of regional markets when individual markets are small; adding “short-term, cross-border” to text on large and volatile capital flows; enhancing international support for domestic capital markets “in developing countries, in particular in LDCs;” and adding language on technical assistance and data collection. The US said the Addis text cannot propose policies inconsistent with recommendations from IMF member countries.

On the contribution of FDI to sustainable development, Member States considered: the role of government policies, including ensuring that portions of the inputs are sourced from domestic sources; and addition of a specific reference to LDCs.

The G-77/China called for an international investment support center dedicated to the LDCs. The G-77/China also urged a distinct paragraph on employing maximum domestic input, including human resources through technical and managerial positions. New Zealand, supported by Australia, proposed the inclusion of SIDS along with LDCs.

On the role of public and private finance in infrastructure development, the G-77/China said public-private partnerships should be financially sustainable for governments and should offer affordable infrastructure services.

The G-77/China, opposed by Australia, the EU, the US and Switzerland, asked to delete specific references to environmental and social standards. Member States also considered: broadening the scope and nature of financing tools used; the definition of blended finance; and the conduct of feasibility studies of infrastructure projects by independent entities.

On investments in energy infrastructure and clean energy technology, Member States considered: including the role of South-South cooperation; inclusion of CCS technologies; and expanding energy infrastructure in all developing countries.

When countries met for informal discussions on Saturday to discuss the new text, the EU called for, *inter alia*, reference to the OECD Guidelines for Multinational Enterprises in a paragraph on a dynamic and well-functioning business sector, and deletion of language on: public and private investments providing affordable infrastructure services; CCS technologies; and increasing direct investments in MICs. Supported by Canada and the US, he called for an aspirational rather than firm target to reduce the cost of remittances to 3%. Supported by Japan and Australia, he asked for deletion of a reference to “increasing” resources to strengthen capacity development for developing countries in a paragraph on access to financial services; and, supported by Australia, called for changes to a sentence stating that remittances “cannot be equated to international financial flows.”

Canada, supported by Australia and Japan, called for deletion of a reference to improve direct investment to countries living under foreign occupation; and called for more positive language on the role of the private sector.

Switzerland welcomed the 3% benchmark to reduce the cost of remittances, and supported by Mexico, called for reintroduction of language on migration from a previous draft. Mexico also called for deletion of any reference to “legal migration,” and, supported by Japan, opposed deleting the reference to increase direct investment to MICs.

The Russian Federation reiterated the need to include text on financial inclusion and financial literacy in a paragraph on the lack of access to financial resources. With the G-77/China, he called for the deletion of specific reference to women in text concerning financing for MSMEs. He called for the deletion of the reference to sovereign wealth funds in text regarding private investment in infrastructure.

Israel, opposed by the G-77/China, underscored her government’s “redline” regarding any reference to people living under foreign occupation. The G-77/China noted that the Group could not support language on inheritance and control over land. He called for the reintroduction of language on international capital flows complementing national development efforts. He also called for the deletion of a reference to half of all migrants being women; and highlighted proposed SDG language on remittances that “by 2030, reduce to less than 3% the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5%.” He requested including a reference to the Programme for Infrastructural Development in Africa to text on private investment in infrastructure, and stressed the need to include MICs in all country listings.

The US called for the section to reflect the need for all financial flows including private investments, and highlighted the “absolute need” for the private sector. She called for the introduction of language on the “equal pay for equal work or work of equal value” in text concerning women’s equal rights and opportunities in political and economic decision-making and resource allocation. Referring to language on people living under foreign occupation, she reiterated that there is no place for “politicization of the document.” Zambia called for the inclusion of LLDCs in the listing of countries in special situations.

Mexico stressed maintaining the reference to MICs in text on the strengthening of efforts to address financing gaps and low levels of direct investment.

C. International development cooperation: Co-Facilitator Pedersen opened discussion on this chapter, originally titled “international public finance,” on Tuesday, 16 June, inviting comments on the bridging paragraphs, while noting ongoing “informal-informals” on this issue.

The G-77/China suggested breaking a paragraph on biodiversity and its components into three parts— on biodiversity, desertification and sustainable land management, and oceans—and adding a fourth part on low-lying coastal states.

On a reference to implementing international law as reflected in the UN Convention on the Law of the Sea (UNCLOS), the G-77/China, Turkey and the US suggested using language to reflect that not all Member States are party to the convention. The EU, Iceland and New Zealand supported the original language.

In a sentence on developmental and humanitarian finance, the G-77/China called for ensuring more “comprehensive” approaches to managing and mitigating disasters and emergencies.

The Group proposed deleting a sentence on promoting innovative co-financing for countries’ risk management and mitigation planning. The US and Japan questioned the use of “co-financing,” rather than innovative financing.

The EU, opposed by the G-77/China, proposed removing “voluntarily” from the invitation to more countries to implement innovative financing mechanisms. He requested adding a reference to helping develop and implementing carbon pricing, as well as a reference to innovative mechanisms based on models that combine public and private resources. The G-77/China, the US and the Russian Federation agreed to delete a reference to developing and implementing innovative taxes.

On the potential of MDBs and other international development banks in financing sustainable development, Member States considered: the role of MDBs in providing countercyclical lending, with the US highlighting the IMF’s primary role; optimal use of balance sheets and resources; and factoring debt sustainability into lending decisions. The EU opposed inviting international financial institutions (IFIs) to initiate a process to examine the responsiveness of MDBs to the sustainable development agenda.

On methodologies to account for the realities of MICs, Member States discussed: the evidence base on the loss of access by MICs to concessional finance; and taking a needs-based approach and adopting a multidimensional metric to include factors beyond per capita income in deciding on the graduation process of LDCs. The US opposed prescriptive language on issues that would be decided by MDB boards.

On the role of development banks in financing infrastructure investment, Member States discussed: the need for subnational authorities to access sovereign loans; differing views on urging MDBs to adopt or maintain environmental and social safeguards; the need for the New Development Bank to complement the existing financial institutions and architecture; and expanding the list of initiatives on infrastructure mentioned in the paragraph.

On a paragraph on multi-stakeholder partnerships, the G-77/China, opposed by the EU, called for deletion of a reference to the Global Environment Facility (GEF) as an agency that raises awareness, mainstreams environmental concerns into development, and provides grant and concessional resources to support environmental projects and development efforts in developing countries. He called for reintroducing language on multi-stakeholder partnerships from the SAMOA Pathway proposed by the SIDS. Opposed by Mexico, the EU, and the Republic of Korea, the G-77/China proposed deletion of a reference to the Global Partnership on Effective Development Co-operation (GPEDC).

Noting that the GPEDC does not provide expertise or technical assistance, the US called for revisiting the reference to it. He also called for deletion of a reference to enhancing public and private contributions to the GEF in its regular replenishment, noting there were many other similar institutions that also needed replenishment.

Canada called for a reference to strengthening the mobilization of private sector engagement as part of text on the GEF replenishment process.

On a paragraph on multi-stakeholder partnerships in health, the EU proposed a reference to better aligning such initiatives to reinforce synergies. His call to delete a reference to

strengthening implementation of the World Health Organization's (WHO) Framework Convention on Tobacco Control (FCTC) was supported by Japan and Israel, but opposed by the G-77/China, Palau, New Zealand, Australia and the World Bank. The US called for the addition of a reference to "parties of" the FCTC.

The G-77/China highlighted the potential role of the FCTC in mobilizing resources for health. Noting that the Group could support a reference to the Global Financing Facility in support of Every Woman Every Child (GFF), he reiterated the need to support accountability mechanisms in that regard.

Japan, supported by the EU and opposed by the US, called for deletion of the reference to the GFF, saying it had not yet been established, and, supported by Australia, called for a reference to universal health coverage. The World Bank clarified that the GFF would be launched at FfD3 and, supported by Canada, called for retaining the reference.

New Zealand, supported by Australia, called for language on the impact of non-communicable diseases on SIDS. Canada called for language on eliminating all preventable deaths of women, children and adolescents.

In a paragraph on the role of children's education for promoting sustainable development, the G-77/China, supported by the US and the Russian Federation, suggested reaching children living in countries in conflict and post-conflict situations. The EU proposed also reaching children "marginalized because of their gender." The US, opposed by the EU, proposed deleting the reference to the Global Partnership for Education, noting that there are many more initiatives on education. Switzerland called for scaling up international cooperation on free, equitable, quality and inclusive early childhood, primary and secondary education.

In text on revitalizing the agricultural sector and promoting rural development, the EU, supported by Iceland, but opposed by the G-77/China, proposed including the Principles for Responsible Investment in Agriculture and Food Systems, as well as the Voluntary Guidelines on the responsible governance of tenure of land, fisheries and forests. Opposed by the G-77/China, the EU, with the US, also proposed including a reference to climate-smart agriculture. The G-77/China supported the deletion of text on the Secretary-General's High-level Task Force on the Global Food Security Crisis, preferring a more general call to relevant agencies to coordinate and collaborate on food security related issues.

When delegates met on Saturday, 20 June, for informal consultations, the title of this section had been changed to "International Development Cooperation." The EU and Switzerland suggested reverting to this chapter's previous title, "International public finance."

The G-77/China said this section was now closer to its suggested version. In text on achieving ODA targets, the G-77/China called for language to encourage other countries to reaffirm commitments to achieving the 0.7% ODA target, and for everyone to increase their targets. The EU said not many other countries had reaffirmed their commitment in this regard, and the text could stay as is.

The EU and Japan called for deletion of language "encouraging others to" allocate at least 50% of ODA to LDCs; while Mexico called for deleting the reference completely,

citing absorptive capacity constraints for scaled-up aid flows. The EU also called for a reference to the OECD in the text on modernizing the ODA definition.

On South-South cooperation, the EU called for insertion of language on "our principles" regarding the aid effectiveness agenda, in addition to principles of "respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs and mutual benefit."

In a paragraph on the UNFCCC, the EU favored a reference to the Lima outcome, rather than the reference to CBDR and respective capacities, "in light of different national circumstances." The G-77/China objected to the latter clause. Switzerland proposed: "we are encouraged by the commitment by the Conference of the Parties to reaching ambitious agreement in 2015 and welcome the Lima call for climate action."

In a paragraph on the role of MDBs, Japan urged including the December 2014 decision of the OECD Development Assistance Committee's High Level Meeting, regarding incentivizing the flow of more concessional ODA loans to poorer countries. Costa Rica proposed a reference to support the transition to a low-carbon economy, in a sentence on MDB policies in support of the post-2015 development agenda.

The EU proposed a reference to country ownership as an effectiveness principle.

Iceland, supported by Japan and Mexico, called to amend language on UNCLOS to match paragraph 158 of the Rio+20 outcome document.

New Zealand supported Japan in calling for the deletion of a reference to "encouraging others" to allocate least 50% of their ODA to LDCs.

Japan, supported by Canada and Australia and opposed by Palau, called for removal of a reference to compensate various kinds of losses and damages caused by financial crisis, natural disasters, public health emergencies in SIDS and LDCs.

Canada, supported by the US, called for the deletion of language calling on the 2015 UNFCCC agreement to reflect CBDR; and retention of language on the GFF.

The Russian Federation noted that its call to change the title of this chapter had not been taken into account, and called for the reference to promoting innovative financial mechanisms to better prevent and manage risks to be made "voluntary."

Australia called for reference to the OECD in the context of the modernization of the ODA definition and on the proposed measure of "total official support for sustainable development" (TOSSD); bolstering of the paragraph on South-South cooperation; and appropriate reference to the complex language of the UNFCCC.

The US said TOSSD did not imply a change in the definition of ODA, but was a method to measure it; supported New Zealand, the EU and Canada in calling for better language on South-South cooperation; called for the deletion of a paragraph on the role of development finance in reducing social and economic vulnerabilities; called for reference to "taking into account the needs of each recipient" in a paragraph on MDB financing; and noted that the US was not a party to the FCTC of the WHO, and therefore could not agree to strengthen its implementation.

D. International trade as an engine for development:

This section was addressed mainly in closed informal-informals during the week.

When this section was discussed at the informal plenary on Saturday, the Republic of Korea, supported by the G-77/China, the EU, Mexico, the US and others, proposed the inclusion of language referencing the UN Commission on International Trade Law. The G-77/China, supported by Zambia for the LLDCs and Japan, called for reintroduction of text regarding the need to enhance the duty-free and quota-free access to LLDCs; and also highlighted the need for language on the effect of coercive measures to developing countries, as set out in UNGA resolution 68/199 on international trade and development. In a paragraph on the multilateral trading system, the G-77/China called for the deletion of references to trade liberalization. In text regarding developing countries' share in world exports, the G-77/China, opposed by the US, suggested deleting the qualifier that the share has increased "significantly." Opposed by the EU, the US and others, he proposed the deletion of a phrase welcoming relevant multilateral and plurilateral initiatives, such as the negotiations to liberalize trade in environmental goods. He called for the strengthening of UNCTAD in text on international trade and investment and, opposed by the US, suggested that the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council work on how TRIPS can contribute to sustainable development. This was opposed by the EU and the US. The G-77/China called for the deletion of a reference to development effectiveness principles in text on Aid for Trade, and, opposed by the EU and the US, stressed the need to include a reference to respect for each country's policy space.

The EU, opposed by Mexico, preferred deleting language calling on development banks to examine ways to address market failures associated with trade finance. He called on all Member States in a position to do so to realize timely implementation of duty-free and quota-free market access on a lasting basis for all products originating from all LDCs. He preferred, supported by the US, New Zealand and others, the deletion of references to an aim to allocate 50% of Aid for Trade to LDCs. He noted that text referencing illegal fishing should instead reference illegal, unregulated and unreported fishing. In text referring to trade restrictions and distortions in world agricultural markets, Japan proposed WTO language on the parallel elimination of all forms of agricultural export subsidies and disciplines on all export measures with equivalent effect.

Canada supported a reference to the Vienna Programme of Action for LLDCs. The US, supported by Australia, proposed a reformulation of the text to support further integration of SIDS into world markets. Switzerland, Canada, and Australia called for deletion of a sentence committing to assess the sustainable development impacts of trade and investment agreements.

The Republic of Korea noted the importance of retaining the reference to agreed development effectiveness principles in the context of providing LDCs with 50% of Aid for Trade. Benin, for the LDCs, called on Member States to consider what degree of erosion of ambition was acceptable while still having a credible document, noting "many setbacks." He called for a package deal with an outcome "we all consider important."

E. Debt and debt sustainability: This chapter was first discussed on Tuesday morning. On a paragraph on borrowing and debt sustainability, Canada, supported by others, proposed using agreed language on debt sustainability for SIDS, as contained in the SAMOA Pathway.

In text concerning the relationship between severe natural disasters and social or economic shocks, and debt sustainability, Japan, supported by the G-77/China, called for a broader reference to debt relief, instead of debt cancellation for affected countries.

The EU, opposed by New Zealand and the G-77/China, called for the deletion of a reference to a study of "debt for SDG swaps" for developing countries, particularly LDCs, LLDCs and SIDS.

When delegates met in an informal plenary on Saturday morning to discuss this chapter, the EU said it could accept the section as is.

The G-77/China said it has proposed an amendment in this section, on the role of the UN in debt issues.

In text on debt cancellation in the context of natural disasters, Japan said debt relief has other modalities, such as rescheduling.

F. Addressing systemic issues: This chapter was first discussed on Tuesday morning. In a paragraph on the need to continue improving global economic governance, the G-77/China proposed adding a reference to balanced representation; including financial governance in addition to economic governance; and a commitment to "reform," rather than "improve," global governance for sustainable development. The US welcomed the paragraph without the "reform" reference.

In a paragraph on financial stability, the US proposed removing references to particular effects on developing countries, with regard to the spillover effects of financial crises, and the effects of national policy decisions beyond national borders.

Member States returned to this chapter on Wednesday afternoon.

In a paragraph on the need for sound regulation of financial markets, the EU, opposed by the G-77/China, called to delete the reference to reducing the spillover effects of crises on developing countries.

Also in this paragraph: the G-77/China called to retain its proposal on technical assistance for concessional lending; Canada and the G-77/China noted that text on MSMEs and credit access may not belong in a paragraph that otherwise addresses global, macroeconomic issues; the US said the Financial Stability Board (FSB) should not be described as an international standard; and the EU and the US called for reconsideration of a reference to the high priority of the financial reform agenda.

In a paragraph on excess volatility of commodity prices, the G-77/China suggested changing "timely access to market information" to "access to timely, accurate, and transparent market information." The US and EU suggested calling on regulatory bodies to ensure that commodity markets "appropriately reflect underlying demand and supply changes."

In a paragraph on credit ratings, the G-77/China suggested deleting the acknowledgement of the FSB and others' efforts to improve the quality of ratings. The Group also called for reinserting text on establishing an intergovernmental mechanism under UNGA to develop a global methodology and standardized

approach, with a set of universally approved criteria for undertaking country ratings by credit rating agencies. The EU accepted the paragraph as presented by the Co-Facilitators.

On a paragraph calling to ensure that international agreements, rules and standards are consistent with each other and with progress towards the SDGs, the EU, supported by the US, preferred deleting the list of country groups to be recognized by the World Bank, the IMF and regional development banks as having constraints to achieving the SDGs. Mexico, supported by the G-77/China, preferred retaining the reference to MICs. The IMF informed participants that they do not recognize the nomenclature regarding LDCs, but support countries in this category.

In a paragraph resolving to strengthen the coherence and consistency of multilateral financial, investment, trade and development policy, and environmental institutions and platforms, and increase cooperation of the major international institutions, the EU and the G-77/China supported the Co-Facilitators' formulation. The US agreed to support the paragraph with minor textual changes.

When delegates returned to this issue on Saturday to discuss revised text, Switzerland advocated reinserting a reference to migration, beyond remittances, and said consultations were ongoing to find agreed language. Mexico supported such an addition, which he said should reflect the positive contribution of migration to development, and said the text must be at least as strong as the High-level Dialogue on International Migration and Development.

The G-77/China reiterated its opposition to all references to the FSB.

In text on sound macroeconomic policies, the EU suggested adding that growth should be sustainable.

Several Member States commented that the language on the IMF should be consistent with the Fund's mandate. The IMF provided a formulation in this regard, which was supported by Australia, while the EU, Switzerland and Canada requested further consultations on this text. The EU suggested shortening a sentence on selection of heads of IFIs and the diversity of staff, to remove the reference to representation of under-represented regions and countries.

In text on fisheries, the G-77/China proposed an additional sentence on improving mechanisms for resource assessment and management and enhanced facilities for fisheries workers.

The US and the EU objected to references to evaluation standards of credit rating agencies.

In a paragraph on preventing violence, terrorism, crime, etc., the EU suggested including the root causes of irregular migration. The G-77/China called to delete a sentence on addressing "broader societal dynamics that could aggravate drivers of violence and criminality."

G. Science, technology, innovation and capacity building: This chapter was first discussed on Tuesday morning. Israel called for a reference to social inclusion and empowerment of women and girls.

The US proposed revising a sentence on technology transfer to note that it should be voluntary, and called for highlighting the creation of innovation, technologies, and associated know-how in addition to their development and diffusion.

Regarding a listing of country groupings facing the digital divide, the G-77/China proposed adding MICs, while the EU suggested that a long list of groupings is not useful. Palau preferred to maintain the reference to SIDS, and proposed adding a reference to ensure access to information and communication technologies for persons with disabilities.

The G-77/China, opposed by the EU, also called for deletion of a reference to "adequate, balanced and effective protection of intellectual property rights (IPR)" as part of the enabling environment.

On the entrepreneurial nature of the private sector, Member States considered: the value of stakeholder partnerships; the need to promote and protect traditional knowledge; differing views on technology transfer modalities; and the importance of psycho-social well-being.

Regarding the role of public finance and policies for technological development, the EU stressed the importance of a favorable legal environment and IPR protection, and said the establishment of innovation funds must be voluntary. The G-77/China called for co-development of technologies between developed and developing countries and highlighted the importance of support for commercialization of technologies. The US highlighted the public interest served by patented technologies and urged avoiding language exclusively focusing on the public sector.

On STI strategies as a part of national sustainable development strategies, Member States discussed: the importance of access for women and girls; scholarships to students from developing countries; and efforts to facilitate access to technology for people with disabilities.

On development, dissemination and diffusion of environmentally sound technologies (ESTs) to developing countries, Member States considered: the inclusion of CCS technologies; support for research on ESTs; building innovative capacity; the role of public-private partnerships; and the listing of priority areas in the text. The EU proposed adding a list of specific tools to strengthen SCP, including life-cycle analysis, eco-labeling, and initiatives like Partnerships for Action on Green Economy. Opposed by the G-77/China, the EU asked for a reference to enhance "ODA and other forms of technical cooperation" for STI to be replaced by "financial and international cooperation." He also proposed a formulation to incorporate the G-77/China's proposal to include CCS as a priority area for STI. Co-Facilitator Pedersen noted that CCS technologies are in the early stages of development.

On a paragraph on communicable and non-communicable diseases (NCDs) that disproportionately affect developing countries, the G-77/China called for a reference on expanding access to vaccines in developing countries. Opposed by Canada, the Group asked for deletion of a reference to support for the Consultative Group on International Agricultural Research, while calling for addition of "concessional and preferential terms where mutually agreed" to a reference to transfer marine technology.

The EU proposed using the formulation on marine technology from proposed language in SDG 14 (to conserve and sustainably use the oceans, seas and marine resources for sustainable development); and, supported by Iceland, the addition of a reference to renewable energy.

The US said that research does not support the claim that NCDs affect developing countries disproportionately; called for “provide” to be changed to “promote access” in a reference to affordable essential medicines for all; and called for deletion of a reference to TRIPS and another reference on support for developing gene banks. Iceland, supported by Palau, proposed changing the reference to NCDs to read “in particular those that disproportionately impact developing countries.”

The G-77/China proposed reintroduction of references to specific initiatives on technology development and transfer such as the Climate Technology Centre and Network. The US called for the addition of a reference to eliminating duplicative initiatives.

In a paragraph on capacity development to achieve sustainable development, the G-77/China proposed changing “sustainable development” to “development,” saying the former would be more difficult to measure. Opposed by the EU, he also proposed listing specific countries to prioritize for capacity development.

The EU proposed a reference to the role of multi-stakeholder partnerships in capacity development, and deletion of a list of specific areas for capacity building. The G-77/China said if the reference to multi-stakeholder partnerships was added, it must come after the reference to country-driven capacity building; and the list of priority areas was part of agreed language in the Doha Declaration.

When delegates returned to this section on Saturday afternoon to discuss revised text, the EU asked for deletion of “technology transfer” in the paragraph on the role of technology and innovation as drivers of sustainable development and economic growth.

On capacity development for the achievement of the post-2015 development agenda, the EU asked to highlight the role of multi-stakeholder partnerships in addition to the need to enhance international cooperation.

On the protection of IPRs, the EU asked to delete “in accordance with nationally determined priorities” and recommended “in full respect of WTO rules.” The US, opposed by the G-77/China, proposed deletion of language committing to promote and protect the traditional knowledge of indigenous peoples and local communities.

On the terms of technology creation, development, and transfer, the US, supported by the EU, said it could not accept “concessional and preferential terms” and asked to include “on mutually agreed terms.” The G-77/China said the term “favorable terms” included concessional and preferential terms.

On open access to research of publicly funded projects, the EU asked to specify scientific publications from publicly funded research projects.

The EU, supported by the US, opposed text on making the technology bank for LDCs operational by 2017, noting that there were organizational aspects of the bank that needed to be discussed before such a commitment could be made. Benin, on behalf of the LDCs, stressed that UNGA had already decided to make the technology bank operational, and noted that FfD3 was only to consider how to finance it.

III. DATA, MONITORING AND FOLLOW-UP

In a paragraph on the importance of high-quality disaggregated data, the G-77/China, supported by Mexico, preferred the deletion of a reference to the post-2015

development agenda and related MOI, noting that these are yet to be agreed. Opposed by the US and the EU, he also suggested deleting text on the importance of quantitative and qualitative data, including open data, and statistical systems and administrations at the national and sub-national level for the strengthening of domestic capacity, transparency and accountability.

In text concerning capacity building for developing countries to increase and use disaggregated data, the EU, supported by the US but opposed by the G-77/China, proposed replacing a reference to SIDS and LDCs with “countries most in need.”

On a paragraph regarding the accessibility of data, the G-77/China, opposed by the US and the EU, called for the deletion of a reference to making data standards interoperable.

In a paragraph calling on the UN, in consultation with IFIs and UN regional commissions, to develop transparent measurements of progress on sustainable development, the Russian Federation suggested deletion of direct references to the UN and the IFIs. The G-77/China, supported by the Russian Federation but opposed by the EU and the US, called for deleting language regarding the development and implementation of tools to mainstream sustainable development, such as natural capital accounting.

When delegates returned to this section on Saturday to discuss revised text, the Republic of Korea, supported by the US, said existing development effectiveness principles should be used as criteria to review and monitor FfD3 outcomes.

On the preparation of country needs assessments for the implementation of the post-2015 development agenda, the US said priority areas should be linked to expected results and supporting needs.

On common data standards, the US, opposed by the G-77/China, called for language on making data open, interoperable and machine-readable, and stressed the importance of data in policy making.

The G-77/China also opposed language on natural capital accounting noting that it would be difficult for all countries to implement.

On the organization of a follow-up conference to review the Addis outcomes, the US said it was premature to make that determination, while the G-77/China stressed that a follow-up conference will be necessary after five years.

More specific language on follow-up modalities, particularly on institutional arrangements, was being discussed in a smaller informal group.

PLENARY AT THE AMBASSADOR LEVEL

A plenary discussion with Permanent Representatives and Deputy Permanent Representatives in attendance took place on Sunday morning, 21 June. Co-Facilitator Talbot said that the work conducted overnight had closed many gaps, with significant progress in negotiations on: the TFM; an infrastructure forum; and follow-up and review. Tax cooperation and other matters remained outstanding, he said, noting that there would be important implications if the work did not conclude on that day. Co-Facilitator Pedersen highlighted the historic responsibility of the FfD process in getting the post-2015 development process and the 2015 Paris Climate Change Conference “off to a good start.”

South Africa, for G-77/China, noted progress in negotiations on follow-up and review, the TFM, parts of international public finance, and some aspects of trade; as well as continuing challenges in negotiation on tax, peoples and countries under foreign occupation, and CBDR. He expressed the G-77/China's concern about "unnecessary pressure" to conclude agreement today.

The EU said other issues, in addition to those mentioned by the G-77/China, remain to be finalized, and called for them to be resolved "while we are here, with delegations from capitals, ready to engage."

Benin reminded delegations that "consensus is what you can live with, even if you don't like it."

The US noted many concerns with the text, saying that if negotiations do not conclude on Sunday, the US was "not willing to continue engaging here, without capital representation," and the text would have to be finalized in Addis.

UNGA President Kutesa urged delegates not to go to Addis with unfinished business for politicians to conclude because "they are the worst draftsmen."

UN Deputy Secretary-General Jan Eliasson said FfD3 is a test of multilateralism, and its outcome will "very seriously affect the way the world looks at the UN as a body to come up with solutions and formulas for international cooperation."

Co-Facilitator Talbot suspended the open plenary at 12:43 pm and invited the principals of the negotiating teams to meet with the Co-Facilitators immediately following the meeting. The plenary reconvened at 9:45 pm, following informal coordination on tax matters and other issues throughout the day. Co-Facilitator Talbot said a number of critical issues remain to be resolved, and the meeting would reconvene at 12:00 pm on Monday, 22 June 2015, to determine the way forward.

PLENARY ON MONDAY, 22 JUNE

Plenary reconvened at 9:17 pm on Monday, 22 June. Co-Facilitator Talbot announced that although a new draft was almost finalized, taking on board various redlines to find a place of convergence, there were a couple of issues of great sensitivity on which consultations were ongoing at the political level, and it was in the best interest of the process to give them time.

South Africa, for the G-77/China, thanked the Co-Facilitators for their efforts and patience. Expressing his trust in their efforts, he urged them to make sure that the rest of the draft is clear. Although noting "we are almost there," he said politics is best left to the politicians, who should be allowed to resolve the remaining issues to ensure that the FfD3 package contributes to the success of the entire post-2015 development process.

Talbot thanked him for his trust and confidence, saying this situation was without precedent in their experience, and needed to be approached with due care, patience and maturity. Encouraging interested delegations to continue to engage, he proposed that plenary would reconvene at 6:00 pm on Thursday, 25 June.

Co-Facilitator Pedersen thanked everyone for their contributions. He expressed hope that at the political level, "they can help us move the last mile" and that an historic outcome in Addis can be prepared for in New York. The plenary ended at 9:34 pm.

A BRIEF ANALYSIS OF THE MEETING

Once upon a time there were two countries at war with each other. In order to make peace after many years of conflict, they decided to build a bridge across the ocean.

But because they never learned each other's language properly, they could never agree on the details, so the two halves of the bridge they started to build never met.

To this day the bridge extends far into the ocean from both sides, and simply ends half way, miles in the wrong direction from the meeting point.

- Vera Nazarian

The drafting process for the Addis Ababa Accord is one part of a historic bridge-building process between developed and developing countries, and between development and sustainability concerns. This process was initiated nearly a quarter of a century ago, with the first attempts to draft a common blueprint taking place first at the UN Conference on Environment and Development back in 1992 in Rio de Janeiro, Brazil. It would seem, however, after the long and sometimes torturous week of negotiations on the draft Addis Ababa Accord that the two sides are still working with different blueprints.

Will the bridge they are building eventually meet in the middle?

THE BLUEPRINT

The first question that faced delegates when they started drafting the outcome document in January this year was who should develop the draft FfD blueprint? Developing countries wanted Member States to draft the Accord in plenary, using the outlines of the Monterrey Consensus and Doha Declaration. Developed countries were willing to let the Co-Facilitators do the drafting. For over a month between the second and third drafting sessions, delegates conducted two paragraph-by-paragraph readings of the Co-Facilitators' draft. A compromise was eventually struck, and the third drafting session started with a 12 June version of the text, which had been drafted by the Co-Facilitators but included the comments made by Member States in previous drafting sessions, and "bridging paragraphs" proposed by the Co-Facilitators to overcome differences at least in some areas, where compromise seemed within reach after intersessional discussions. The many little bridges proposed by the Co-Facilitators worked in some instances, but not in others.

The process then turned to work in smaller "informal-informals," with the Co-Facilitators appointing co-co-facilitators, or "co-cos" as they came to be known, to help resolve the key vexing issues, in particular trade, tax, debt, global partnership, technology, and follow-up. Here, too, there was a capacity issue: the G-77/China noted in plenary that they may not be able to work in plenary at the same time as engaging in the informals.

As the week progressed, however, the meeting shifted more and more to the informals, with plenary convening rarely and briefly to allow the Co-Facilitators to provide reports of slow but steady progress. Not even all the negotiators knew where and when informals were taking place, and on what topic. Although the G-77/China said in plenary that the Group considered the informal-informals useful, some countries felt the process was non-transparent. The Nigerian and United Arab Emirates delegates raised this issue in one of the brief plenaries, only to

be told by the Co-Facilitators that while some of the informal-informals were open, the others were in fact bilaterals taking place between countries that had the “strongest” interest.

As the negotiations carried over by more than 50 hours beyond the last scheduled day, through Saturday night and into the late hours of Sunday, the process seemed to morph into a game of chicken, to see which side tired out first. The Co-Facilitators reminded delegates often of the cost of failure, not only to the FfD process but also to the post-2015 development agenda and the Paris Climate Change Conference, as did some high-level visitors to the plenary, including UNGA President Sam Kutesa and UN Deputy Secretary-General Jan Eliasson. The EU had already threatened that high-level participation in Addis would not be possible without an ambitious outcome document. UN Deputy Secretary-General Eliasson went a step further to say the entire credibility of the UN was at stake. He characterized the process as a test of multilateralism, saying its outcome will “very seriously affect the way the world looks at the UN as a body to come up with solutions and formulas for international cooperation.”

As the meeting spilled over to Monday, there was still no sign of compromise text on the remaining sticking issues. A seasoned delegate pointed to the extreme sensitivities on both sides and the possible lack of trust in the process as the reason.

FOUNDATIONS

A key question during the drafting session, which seemed to lie at the crux of many of the difficulties, was whether the Addis bridge should be built on the old and agreed pilings of financing for development mixed with the concrete of CBDR, or whether a new foundation redefining the global partnership, mixed with the flexibility of a universal agenda, is needed.

There was some confusion here, with both sides borrowing arguments from the other to bolster their case. For instance, the G-77/China wanted the Addis outcome to be based on the mold of Monterrey and Doha, focused squarely on poverty eradication and development, without the prefix of “sustainable.” But they wanted it to include CBDR, given that the FfD outcome could be presented as the MOI pillar of the post-2015 development agenda. The EU, the US and other developed countries, meanwhile, wanted to link FfD3 to the sustainability agenda through the SDGs, but objected to the relevance of CBDR. The G-77/China asked them to swallow “the seeds with the okra” and accept CBDR if they wanted to make the link with sustainability.

The second related controversy around old and new foundations related to how ODA is defined. The G-77/China were wary of attempts to dilute the importance of ODA, redefine it on the basis of the new measure of “total official support for sustainable development,” and/or shift the focus to domestic resources, South-South cooperation, or private sector sources of funding. For instance, the developed countries’ insistence to refer to a “global partnership” to implement various aspects of the agenda was viewed by developing countries as a euphemism for private sector involvement.

A delicate balance was eventually struck, reflected in the title of first section of the outcome. “A global framework for financing [sustainable] development” was changed to “A global framework for financing development post-2015.”

BUILD A BRIDGE TO LAST

High-quality materials are critical for bridge building. Compromising quality will result in bridges that collapse easily and need to be rebuilt again and again. There are examples even within the FfD context where the blueprint seemed strong, but the resulting bridge has been declared unfit for purpose. For instance, one of the issues at the third drafting session revolved around the developing countries’ call for a stronger intergovernmental mechanism within the UN to follow-up, monitor and assess the outcomes of FfD3. In a way, this issue has already been “bridged” at least once, maybe twice, in an FfD-related process.

The first was when the UN Development Cooperation Forum (DCF) was launched by ECOSOC in 2007, “anchored” in the Monterrey Consensus, the Johannesburg Plan of Implementation and the Millennium Declaration, to “work to enhance the implementation of the internationally agreed development goals, and promote dialogue to find effective ways to support it.” While the DCF’s role included promoting greater coherence among development activities of different development partners and reviewing trends in international development cooperation, its design and functioning reduced it to “a talk shop” in the words of one negotiator.

The second attempt was when the 2011 Busan Partnership for Effective Development Cooperation, indirectly an outcome from the Monterrey Consensus, established the Global Partnership for Effective Development Co-operation (GPEDC) to help ensure accountability for implementation of development cooperation commitments. In the discussions on follow-up in the drafting session, developing countries wanted a stronger role for the DCF, while developed countries favored the GPEDC.

Both the DCF and GPEDC were seen as unfit for purpose by different parties, and Member States have had to return to the drawing board for yet another new body for monitoring and follow-up. If the outcome from Addis is not strong enough on institutional arrangements for debt, tax, technology and follow-up, and these issues are watered down to a point where they do not serve their purpose well enough, Member States may have to return to the drawing board again at some point in the near future, with the same bridge-building tasks before them.

THE BRIDGE TO ADDIS ABABA

2015 is a busy and challenging year for multilateralism. If the negotiations during the Sendai Third UN World Conference on Disaster Risk Reduction in March and the FfD3 negotiations are setting the pace and tenor for the post-2015 development agenda and the Paris Climate Change Conference, this pressure-cooker mode of negotiation may prove difficult to sustain.

The intent to complete the drafting process at this session instead of leaving negotiations to Addis may have its advantages—particularly given the comment by UNGA President Sam Kutesa that “politicians make the worst draftsmen.” The rush could also be attributed to an attempt to avoid overstretching the capacities of the host country. However, an outcome document hammered out under pressure, and without addressing deeper fundamental issues, may not be sustainable, and prove to be a bridge to nowhere.

UPCOMING MEETINGS

Intergovernmental Negotiations on the Post-2015

Development Agenda – Sixth Session: The sixth session of the intergovernmental negotiations on the post-2015 development agenda is scheduled to focus on negotiating the outcome document for the September 2015 Summit to adopt the post-2015 development agenda. **dates:** 22-25 June 2015 **location:** UN Headquarters, New York **contact:** UN Division for Sustainable Development **phone:** +1-212-963-8102 **fax:** +1-212-963-4260 **email:** dsd@un.org **www:** <https://sustainabledevelopment.un.org/post2015>

Third Meeting of the High-level Political Forum: The third meeting of the High-level Political Forum on Sustainable Development, which will take place under the auspices of ECOSOC, will focus on the theme, “Strengthening integration, implementation and review – the HLPF after 2015.” The HLPF is mandated to meet every year under the auspices of ECOSOC and every four years at the level of Heads of State and Government under the auspices of the UN General Assembly. **dates:** 26 June - 8 July 2015 **location:** UN Headquarters, New York **contact:** UN Division for Sustainable Development **fax:** +1-212-963-4260 **email:** dsd@un.org **www:** <https://sustainabledevelopment.un.org/hlpf/2015>

Third International Conference on Financing for Development: The Third International Conference on Financing for Development will be held at the highest possible political level, including Heads of State or Government, relevant ministers—ministers for finance, foreign affairs and development cooperation—and other special representatives. The conference will result both in an intergovernmentally negotiated and agreed outcome and summaries of the plenary meetings and other deliberations of the Conference, to be included in the report of the Conference. **dates:** 13-16 July 2015 **location:** Addis Ababa, Ethiopia **contact:** UN Financing for Development Office **phone:** +1-212-963-4598 **email:** ffdoffice@un.org **www:** <http://www.un.org/esa/ffd/ffd3>

For additional meetings, see <http://sd.iisd.org/>

GLOSSARY

CBDR	Common but differentiated responsibilities
CCS	Carbon capture and storage
ECOSOC	Economic and Social Council
FCTC	Framework Convention on Tobacco Control
FDI	Foreign Direct Investment
FfD3	Third International Conference on Financing for Development
GFF	Global Financing Facility in support of Every Woman Every Child
GNI	Gross national income
IFFs	Illicit financial flows
IFIs	International financial institutions
IMF	International Monetary Fund
IPR	Intellectual property rights
LDCs	Least developed countries
LLDCs	Landlocked developing countries
MDBs	Multilateral development banks
MICs	Middle income countries
MOI	Means of implementation
MSMEs	Micro, small and medium-sized enterprises
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OWG	Open Working Group on Sustainable Development Goals
SCP	Sustainable consumption and production
SDGs	Sustainable Development Goals
SIDS	Small island developing States
STI	Science, technology and innovation
TFM	Technology facilitation mechanism
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UNCLOS	UN Convention on the Law of the Sea
UNCTAD	UN Conference on Trade and Development
UNDP	UN Development Programme
UNFCCC	UN Framework Convention on Climate Change
UNGA	UN General Assembly
WHO	World Health Organization
WTO	World Trade Organization