



## FFD3 HIGHLIGHTS: MONDAY, 13 JULY 2015

The third International Conference on Financing for Development (FfD3) opened on Monday at the UN Economic Commission for Africa (UNECA) Conference Centre in Addis Ababa, Ethiopia. A Main Committee chaired by Tedros Adhanom, Minister of Foreign Affairs, Ethiopia, was established during the opening plenary to consider the draft outcome document of the Conference. High-level statements, which started during the opening plenary as part of a general debate, continued in the afternoon. A multi-stakeholder roundtable on “Global partnership and the three dimensions of sustainable development” also took place in the afternoon.

### OPENING PLENARY

UN Secretary-General (UNSG) Ban Ki-moon opened the Conference and outlined its mandate.

Hailemariam Desalegn, Prime Minister, Ethiopia, was elected President of the Conference by acclamation. He called for a new and universal global partnership among people, business and civil society. Recalling how development finance has fundamentally changed since the Monterrey Consensus, Desalegn said FfD3 could be a turning point from business as usual.

Ban called for an ambitious and universally inclusive financing framework to implement the Sustainable Development Goals (SDGs), highlighting the need for: a social compact for greater social protection; a package for least developed countries (LDCs), including a commitment to increase ODA; a technology facilitation mechanism (TFM); gender equality; and protecting and preserving the planet and natural resources.

Sam Kutesa, President of the UN General Assembly, highlighted: generating increased domestic resources; international public finance; bridging infrastructure gaps; increasing the private sector’s participation and contribution to the new development agenda; enabling environments; and an effective, inclusive, and participatory framework for follow-up and review.

Jim Yong Kim, President of the World Bank Group, announced the intention of multilateral development banks to provide more than US\$400 billion in financing from 2016-2018; and the launch of a new financing facility for the Every Woman Every Child initiative, and an auctioning facility for methane emissions.

Noting that the benefits of trade still do not reach some of the poorest and most vulnerable, Roberto Azevêdo, Director-General of the World Trade Organization (WTO), highlighted ways in which the WTO supports financing for development, including through its Aid for Trade initiative and support for trade finance facilitation programmes.

Min Zhu, Deputy Managing Director of the International Monetary Fund (IMF), said the IMF will expand access to concessional finance facilities, target concessional financing to

the poorest countries, and maintain long-term zero interest rates for fragile and disaster-affected countries.

Nkosazana Dlamini-Zuma, Chairperson of the African Union (AU) Commission, said the AU’s vision for African development prioritizes investment in people, and the continent needs a “skills revolution.”

Delegates adopted the rules of procedure (A/CONF.227/2), and the agenda and other organizational matters (A/CONF.227/1). They elected 25 Vice Presidents to the Bureau. Sofian Ahmed, Minister of Finance, Ethiopia, was elected *ex officio* Vice President from the host country.

Delegates agreed to establish a Main Committee to consider the outcome document with Tedros Adhanom, Minister of Foreign Affairs, Ethiopia, as Chair.

Nine countries were elected to the Credentials Committee: Bangladesh, Brazil, China, Denmark, Jamaica, Namibia, the Russian Federation, Senegal and the US.

In the general debate that followed, Thomas Boni Yayi, President, Benin, highlighted the need to address climate change through technology transfer.

Macky Sall, President, Senegal, called for the improvement of debt conditions, and highlighted the need to scale up development assistance.

David Granger, President, Guyana, welcomed the emphasis of the FfD3 draft outcome document on, *inter alia*: bridging the infrastructure gap; strengthening the UN Committee of Experts on Tax Cooperation; and a follow-up process for FfD3.

Uhuru Kenyatta, President, Kenya, called for timely and adequate fulfillment of ODA commitments; a follow-up mechanism for FfD3; and addressing the composition and functionality of the UN tax committee.

Ellen Johnson Sirleaf, President, Liberia, stressed the need to move beyond “old visions” of aid and called for win-win solutions recognizing the contribution of all actors to sustainable development.

Hassan Sheikh Mahamud, President, Somalia, called for a comprehensive solution to financial governance to prevent constraining remittances from reaching the people.

Hage Geingob, President, Namibia, highlighted challenges faced by Namibia’s classification as an upper middle-income country (MIC) and called for concessional funding, including grants, to be extended to upper MICs.

### PLENARY

Speaking on behalf of the President of the UN Economic and Social Council (ECOSOC) Martin Sajdik on Monday afternoon, ECOSOC Vice President Maria Emma Mejía Vélez urged FfD3 to build on the spirit of Monterrey and Doha but also go further, while highlighting ECOSOC’s present and future role in follow-up and review of FfD.

Mukhisa Kituyi, Secretary-General, UN Conference on Trade and Development (UNCTAD), emphasized that financing must increase in quantity and quality, and drew attention to



the findings of UNCTAD's *World Investment Report 2015* on reforming international investment governance.

Stressing that 2015 represents a once-in-a-generation opportunity to push for more inclusive sustainable development, Helen Clark, Administrator, UN Development Programme, on behalf of the UN Development Group, highlighted the need for official development assistance (ODA) to have a much more catalytic impact.

A civil society representative lamented that the draft FfD3 outcome document lacks actionable deliverables; does not scale up resources or commit to new ones; and inadequately reflects the rights of women and girls. Another civil society representative called, *inter alia*, for the establishment of an intergovernmental tax body with universal membership, and a critical examination of the multilateral trading system.

A business sector representative emphasized the importance of enabling economic, legal and regulatory environments, and of public-private partnerships, for leveraging the private sector while calling on all stakeholders to avoid "short-termism" in decision-making.

Ikililou Dhooinine, President, the Comoros, described the financial challenges faced by small island developing States (SIDS) in implementing the MDGs, while highlighting the importance of overcoming these challenges in the context of the SDGs.

King Letsie III, Lesotho, highlighted the continued importance of international public finance and debt relief particularly for countries in special situations, and called for the inclusion of the principle of common but differentiated responsibilities (CBDR) in the outcome document.

Bakri Hassan Saleh, First Vice President, Sudan, called for a holistic framework to address barriers to achieving sustainable development.

Danny Faure, Vice President, Seychelles, invited development institutions to support 'blue' bonds, launched to support sustainable use of ocean resources.

Mohammad Shariatmadari, Vice President for Executive Affairs, Iran, stressed the importance of full and effective participation of all countries in decision making of international institutions.

Stefan Löfvén, Prime Minister, Sweden, highlighted the importance of increasing legitimate financial flows and curbing illicit flows; recognizing the role of women in sustainable growth; and taking steps to a new, green economy. He underlined Sweden's continued commitment to allocate 1% of gross national income to ODA every year.

Barnabas Sibusiso Dlamini, Prime Minister, Swaziland, called for the Conference to address, *inter alia*: trade facilitation, particularly for landlocked developing countries; economic diversification; rural development; reform of the international financial system; agriculture and food security; and cooperation in finance, technology, capacity building and data management.

Brigi Rafini, Prime Minister, Niger, said the Conference must address financing for: security, in particular combatting terrorism and organized crime; climate change mitigation and adaptation; and economic, social and educational infrastructure to build capacity in developing countries.

Gaston Browne, Prime Minister, Antigua and Barbuda, highlighted the need for debt restructuring and gradual debt write-offs to allow SIDS fiscal space to fund development.

Lenita Toivakka, Minister of Foreign Trade and Development, Finland, emphasized the role of the private sector in supporting sustainable development and underlined the importance of building the capacity of girls and women.

Gerd Müller, Federal Minister for Economic Cooperation and Development, Germany, highlighted the increase in his country's international assistance, including a doubling of climate investments to €8 billion by 2020, and called for a robust monitoring and review mechanism.

Kristian Jensen, Minister for Foreign Affairs, Denmark, emphasized the need to mobilize the private sector, strengthen national tax systems, and target ODA to the poorest countries.

Alexander Chikwanda, Minister of Finance, Zambia, highlighted the importance of: international cooperation on tax matters; trade facilitation and integration of developing countries in world trade; and technology research and innovation.

### **ROUNDTABLE 1: GLOBAL PARTNERSHIP AND THE THREE DIMENSIONS OF SUSTAINABLE DEVELOPMENT**

This roundtable was co-chaired by Miroslav Lajčák, Deputy Prime Minister and Minister of Foreign and European Affairs, Slovakia, and Abdusalam Hadliyah Omer, Minister for Foreign Affairs and Investment Promotion, Somalia; and moderated by Mahmoud Mohieldin, Corporate Secretary and President's Special Envoy on Millennium Development Goals (MDGs), the post-2015 process, and financial development, World Bank Group.

Lajčák stressed that a robust global partnership underpinned by solidarity, cooperation and mutual accountability is essential for the SDGs to build on the MDGs. Omer noted the need to strengthen tax systems and establish transparency in structures governing North-South, South-South and triangular partnerships.

Stefan Löfvén, Prime Minister, Sweden, called for stakeholder participation in the new global partnership, a global deal on decent work for all, and coherence among sectors for a successful global partnership.

Angel Gurría, Secretary-General, Organisation for Economic Co-operation and Development, highlighted the new concept of "total official support for sustainable development" to measure all financial flows aimed at funding sustainable development.

Tumusiime Rhoda Peace, Commissioner for Rural Economy and Agriculture, AU, highlighted the need for Africa to address its "infrastructure backlogs," strengthen intra-Africa trade through creating a free trade area, and ensure a proper energy mix.

Neven Mimica, Commissioner for International Cooperation and Development, European Union (EU), reaffirmed the EU's commitment to meet the 0.7% ODA target, while calling for innovative financing and a transparent and accurate monitoring and accountability framework.

Winnie Byanyima, Executive Director, Oxfam International, focused her remarks on taxation, "a word we should learn to love, not hate." Noting that developing countries lose approximately US\$100 billion annually as a result of corporate tax avoidance schemes and tax incentives for multinationals, she called the lack of an international organization for taxation "absurd" and urged its creation.

In the discussion, delegates, *inter alia*, called for legal and regulatory frameworks to create enabling environments for private sector engagement; stressed the need to reverse the trend of decreasing ODA to LDCs; highlighted the challenges faced by MICs in resource mobilization; and stressed the need to include local authorities in resource mobilization plans.

Delegates also considered the role of small and medium enterprises as vectors of inclusiveness for women, youth and poor communities; the role of innovative finance including Islamic finance; the importance of breaking down silos within the UN and elsewhere; and the role of an international tax body in dealing with tax evasion and avoidance, and regulating tax cooperation.

### **IN THE CORRIDORS**

It was a déjà vu moment for negotiators from the drafting sessions in New York when the Main Committee failed to convene to consider the draft outcome on Monday. The high level of ambition called for in plenary by many participants struck hollow, said one delegate, in the face of the continued delays in agreeing an ambitious outcome draft. The UNSG called for flexibility and compromise, but bilateral discussions continued, with one delegate listing the tax committee, CBDR and the link between FfD3 and the post-2015 process as continuing sticking points. The fear of other issues being reopened, and the entire draft unraveling, continued to haunt participants at the end of day one.