



FFD3 HIGHLIGHTS: WEDNESDAY, 15 JULY 2015

The third International Conference on Financing for Development (FfD3) continued on Wednesday, with high-level statements in plenary and multistakeholder roundtables on “Ensuring policy coherence and an enabling environment at all levels for sustainable development” and “Global partnership and the three dimensions of sustainable development.” The Main Committee met in the afternoon and evening in closed meetings, and approved the final draft of the Addis Ababa Action Agenda.

PLENARY

High-level statements continued in plenary during the day.

Peter Phillips, Jamaica, said debt sustainability is a major challenge for the Caribbean region. Cristina Duarte, Cabo Verde stressed that development partners cannot support development on the one hand while harboring international financial flows (IFFs) on the other.

James Fletcher, Saint Lucia, said graduation to middle income country (MIC) status on the basis of a “flawed” GDP per capita calculation ignores the special case of small island developing States (SIDS). Gustave Sanon, Burkina Faso, said official development assistance (ODA) is important but insufficient and highlighted work done to broaden the tax base in his country.

Namgay Dorji, Bhutan, said a renewed global partnership should be the main pillar for advancing the global development agenda. Faeqa Saeed Alsaleh, Bahrain, said that ODA alone is not sufficient to achieve the post-2015 development agenda and private flows will be necessary.

Beatrice Atallah, Madagascar, highlighted ODA, private flows and infrastructure as highly important for FfD.

Jayant Sinha, India, expressed deep disappointment that the spirit of multilateralism did not go far enough on the issue of tax.

Abdelkader Messahel, Algeria, called for a moratorium on public debt. Gunnar Bragi Sveinsson, Iceland, emphasized restoring and rehabilitating degraded lands. Florence Limbio, Central African Republic, noted that development gains have been offset by armed conflict. Winston Dookeran, Trinidad and Tobago, called for broadening and strengthening the voice of developing countries in global economic governance.

Roberto Tan, the Philippines, stressed the importance of international cooperation for strengthening resilience against natural disasters and financial shocks. Tabu Abdallah Manirakiza, Burundi, called for technology transfer, technical assistance for building human capital and support for industrialization.

Darcy Boyce, Barbados, called for the adoption of a vulnerability and resilience index as a trigger to allow MICs to regain access to concessional finance. Emmanuel Nganou Djoumessi, Cameroon, highlighted efforts to increase private investment and urged action on IFFs.

Juan Temístocles Montás Domínguez, Dominican Republic, called for criteria in addition to per capita income in the distribution of ODA. Abdoulaye Diop, Mali, described difficulties in accessing concessional resources and utilizing remittances for sustainable development.

Miguel Engonga Obiang Eyang, Equatorial Guinea, called for multinational companies to commit to fostering sustainable development in developing countries. Fernando Aportela Rodriguez, Mexico, supported referencing the rights of migrants.

Mary Jervase Yak, South Sudan, emphasized the need to prioritize peace and nation building for fragile States. Helder Lopes, Timor Leste, stressed the importance of honoring commitments to realize “overdue” ambitions.

Hany Kadry Dimian, Egypt, said the level of resources is not commensurate with the level of ambition. Ramon Gordils, Venezuela, said developed countries must support means of implementation in accordance with the principle of common but differentiated responsibilities (CBDR).

Ahmed Al Muraikhi, Qatar, highlighted his country’s role in providing development aid. Manuel Sager, Switzerland, highlighted the launch of the Addis Ababa Action Plan on Transformative Financing for Gender Equality and Women’s Empowerment.

Gonzalo Robles, Spain, called for domestic resource mobilization and broadening the tax base. Kasim Asker Hassan Ali, Iraq, underscored the challenges Iraq is facing, such as terrorism. Lilianne Ploumen, the Netherlands, emphasized the need for close cooperation with the private sector.

Claver Gatete, Rwanda, supported an international legal framework for collecting taxes and curbing IFFs. Mahamat Nour, Chad, noted that threats to peace and security “annihilate” progress towards sustainable development.

Henri Djombo, Republic of Congo, emphasized interlinkages between processes and projects. Edward Scicluna, Malta, said unrealistic development targets that do not match national economic realities risk undermining the international community’s credibility.

Sergei Storchak, Russian Federation, said debt relief to LDCs should be a priority. Adam Zoltán Kovács, Hungary, supported emphasis on women’s rights, a coherent approach to migration and sustainable use of water.

Muhammad Abdul Mannan, Bangladesh, said the impact of ODA was in question due to supply-side constraints like bottlenecks for country ownership. Rolandas Kriščiūnas, Lithuania, highlighted the importance of good governance, shared responsibility, and “smart” aid that mobilizes additional resources.

Martin Tlapa, Czech Republic, highlighted security, prosperity and sustainable development, and human dignity. Väino Reinart, Estonia, offered to share best practices on information and communication technologies noting their impact on development.

Thipphakone Chanthavongsa, Lao People’s Democratic Republic, stressed the continued relevance of ODA and called on donors to harmonize rules and procedures. Truong Chí Trung, Viet Nam, emphasized the role of trade in development and supported greater global and regional integration.

Seán Sherlock, Ireland, highlighted the role of small businesses and Ireland’s commitment to focus on LDCs. Don Pramudwinai, Thailand, supported development of new indicators to measure progress in the post-2015 agenda, and inclusive and good governance.



Milorad Šćepanović, Montenegro, said the Conference outcome would define the overarching concept of a new global partnership for the entire post-2015 agenda. Jaime Alfredo Miranda Flamenco, El Salvador, called for a global council for economic coordination under the UN that goes beyond the Group of 20. Eduardo Tregos Lall, Costa Rica, said overcoming the middle-income trap involves access to loans and strengthening infrastructure.

Swarnim Wagle, Nepal, said landlocked countries need preferential access to world markets to join global value chains. Eduardo Galvez, Chile, said the outcome text rightly focuses on mobilizing domestic resources and transparency in public tax administration is needed.

Pedro Luis Pedrosa, Cuba, urged fulfillment of existing commitments on aid. Gil Haskel, Israel, urged moving towards integrated climate-smart innovative approaches. Yogeewaran Kumaraguru, Malaysia, called for international coordination to enhance global financial stability.

Peter Launsky-Tieffenthal, Austria, highlighted the role of independent supreme audit institutions. Dragovest Goranov, Bulgaria, said the private sector is important because it drives productivity. Ashraf Shikhaliyev, Azerbaijan, emphasized regional cooperation and trade as essential.

Archbishop Bernardito Auzas, Holy See, said development cannot proceed if States emphasize national interests over the global common good. Sahbi Khalfallah, Tunisia, affirmed the need for solidarity. Arcanjo Nascimento, Angola, said the gap in commitments and disbursements of ODA must be closed.

A number of UN and intergovernmental agencies also made interventions, which can be viewed at <http://bit.ly/1MamckF>

ROUNDTABLE 4: ENSURING POLICY COHERENCE AND AN ENABLING ENVIRONMENT AT ALL LEVELS FOR SUSTAINABLE DEVELOPMENT

This session was co-chaired by Liliane Ploumen, Minister for Development Cooperation and International Trade, the Netherlands, and Goodall Gondwe, Minister of Finance, Planning and Development, Malawi; and moderated by Mukhisa Kituyi, Secretary-General, UN Conference on Trade and Development.

Ploumen noted that the Addis commitments on policy coherence are critical for the success of the post-2015 development agenda, and drew attention to the Netherlands' combined Aid and Trade agenda.

Vesna Pusić, First Deputy Prime Minister, Croatia, shared her country's experiences in transitioning from an ODA recipient to a donor. Jaime Alfredo Miranda, Deputy Minister for Foreign Affairs, El Salvador, said the public finance system must align with the sustainable development goals (SDGs), and called for the establishment of a world council on economic coordination.

Ato Getachew Adem, Minister of the Planning Commission, Ethiopia, prioritized national planning and programming systems, strong macro-economic and fiscal frameworks, and the involvement and coordination of sub-national actors as elements for successful policy coherence.

Alicia Bárcena, Executive Secretary, UN Economic Commission for Latin America and the Caribbean, stressed the need to strengthen political, economic and fiscal policies in order to spur growth; urged addressing IFFs; and underlined the importance of domestic resource mobilization.

Richard Samans, Head of the Centre for the Global Agenda, World Economic Forum, highlighted the importance of strengthening institutions related to, among other things, education and skills; employment and compensation; asset building for people; and tackling corruption and "concentration of rents."

In the ensuing discussion, delegates considered, *inter alia*: the need for investing in planning ministries; human rights and rule of law; addressing systemic inequalities in international trade; addressing climate change and development finance simultaneously; addressing barriers in remittances outflows; harmful trade practices that undermine sustainable development; the major role of the private sector; mainstreaming the UN-supported Principles for Responsible Investment; adverse consequences regarding dispute settlement processes between investors and States; maximizing the impact of ODA; the role of finance from international financial institutions in unlocking

private-sector FfD; the need for trade to be coherent with human rights and conventions under the International Labour Organization; and national experiences in promoting policy coherence for development.

ROUNDTABLE 5: GLOBAL PARTNERSHIP AND THE THREE DIMENSIONS OF SUSTAINABLE DEVELOPMENT

This session was co-chaired by Seán Sherlock, Minister of State, Department of Foreign Affairs, Ireland, and Winston Dookeran, Minister of Foreign Affairs, Trinidad and Tobago; and moderated by Yi Xiaozhun, Deputy Director-General, World Trade Organization. Yi called on the panel to outline ways the global partnership can be used to find solutions to economic, social and environmental challenges around the world.

Stressing that equity and CBDR are the bedrock of sustainable development action, Jayant Sinha, Minister of State for Finance, India, said that the global partnership needs to: end poverty; integrate the three pillars of sustainable development; level the playing field in economic and financial governance; include innovation; and have a strong monitoring and review mechanism. Ngozi Okonjo-Iweala, former Minister of Finance, Nigeria, highlighted infrastructure development as linking the pillars of sustainable development.

Li Yong, Director-General, UN Industrial Development Organization (UNIDO), highlighted UNIDO's inclusive and sustainable industrial development initiative; public-private partnerships; and Programmes for Country Partnership piloted in Ethiopia and Senegal.

Carlos Lopes, Executive Secretary, UN Economic Commission for Africa, advocated a stronger emphasis on the social and environmental pillars of sustainable development; "refreshing" the principle of CBDR; and a data revolution. Dereje Alemayehu, Coordinator, Global Alliance on Tax Justice, warned against undermining the mandate and responsibility of the UN and an unfettered role of the private sector in development financing; and said the principle of CBDR should pervade all global efforts to solve global issues.

Naoko Ishii, Chief Executive Officer, Global Environment Facility, highlighted the need for well-defined priorities, strong policies, and integration of environmental sustainability into economic systems.

In the discussion, delegates considered, *inter alia*: the importance of policy space for development; the importance of the climate change funding mechanisms to assist SIDS; widening the tax base to enhance domestic resource mobilization; the role of financial markets in funding development; and experiences from Asia in catalyzing finances for development.

Delegates also stressed: innovative ways to leverage financing; the importance of property rights and rule of law in creating enabling environments; the role of social protection systems and safety nets in promoting economic growth; returning IFFs to developing countries to finance implementation of SDGs; and decent work as essential for an expandable tax base.

IN THE CORRIDORS

Delegates expectantly thronged outside the venue of the Main Committee at 1:30 pm on Wednesday, hopeful despite the number of such meetings in the FfD3 process that have cried wolf and ended with just a brief announcement that informal negotiations are still underway. This meeting followed the FfD3 trend, with the Ethiopian Presidency announcing that agreement was still pending. Minister Tedros Adhanom invited the G-77/China and "non-G77" members to elect representatives for consultations in a small group, before the Main Committee reconvened again at 8:30 pm. The room filled up slower for the second meeting of the day, but this turned out to be the one to finally announce a breakthrough. A compromise had been reached on the last remaining tax issue, and the Addis Ababa Action Agenda was finally agreed. Relieved and beaming delegates, emerging from the room, declared the agreement a win for multilateralism.

ENB SUMMARY AND ANALYSIS: The *Earth Negotiations Bulletin* summary and analysis of FfD3 will be available on Sunday, 19 July 2015 online at: <http://www.iisd.ca/ffd/ffd3/>