Regions Refocus

Regional Policy Positions: European Government Post-2015 Positions on Financing for Development

Regions Refocus, an initiative housed at the Dag Hammarskjöld Foundation, has compiled below the proposals of European governments, articulated in **"The Open Working Group (OWG) on Sustainable Development Goals (SDGs)," "The Sixth High-Level Dialogue on Financing for Development (2013)," and "The first substantive informal session of the preparatory process of the Third Conference on FFD (November 2014)."** The agreed language listed in the right column comes from the outcome document of the OWG (July 2014), and the Monterrey Consensus of the International Conference on Financing for Development (March 2002).

Try the "Traffic Light" exercise: Mark the positions and agreed language below with a green, yellow, or red light according to how progressive the proposal:

- (+) for progressive recommendations
- (−) for recommendations that could be amended for greater clarity or specificity
- (x) for recommendations that are regressive i.e. favor corporate influence or disregard human rights and environmental agreements

Below is our assessment, as a contribution to stimulate debate.

Issue	Proposals (and Proponents)	Agreed Language
Global Governance	(+) The post-2015 agenda should focus on results and accountability supported by bound and responsive institutions and an enabling environment, democratic ownership, transparency, and reduced fragmentation (EU) (+) Encourage regular monitoring and reporting on the progress of SDGs with a shared accountability framework, including means of implementation, the global partnership among Member States and multi-stakeholder initiatives and partnerships involving governments, civil society organizations, and the private sector in line with human rights and regulatory standards (Poland, Romania) (−) Ensure suitable monitoring and accountability mechanisms for financing to be included as part of the monitoring and accountability framework for Post 2015 (Switzerland)	(−) Improve regulation and monitoring of global financial markets and institutions and strengthen implementation of such regulations (OWG, 10.5) (−) Develop effective, accountable and transparent institutions at all levels (OWG, 16.6) (+) Ensure enhanced representation and voice of developing countries in decision making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions (OWG, 10.6) (+) Broaden and strengthen the participation of developing countries in the institutions of global governance (OWG, 16.8)
Multi-Stakeholder Partnerships	(−) A multi-stakeholder governance process must be put in place and public financial institutions must adopt policies to mobilize resources, on the basis of solidarity principles, to promote inclusive sustainable development (Italy) (+) Encourage a paradigm shift away from north-to-south thinking to make the most of multi-stakeholder partnerships (Switzerland, France, Germany) (−) Greater involvement of the private sector in the	(−) Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries (OWG, 17.16) (−) Encourage and promote effective

	context of partnerships is very important and should be based on a sound framework of regulation to avoid negative social and environmental impacts (Austria)	public, public-private, and civil society partnerships, building on the experience and resourcing strategies of partnerships (OWG, 17.17)
Domestic Resource Mobilization	Essential to think beyond ODA. Domestic resource mobilization (DRM) is the most predictable source over which countries have full national control. A solid tax base and a capable and accountable tax system are hence essential (Denmark, Ireland, Norway, UK, Belgium, Norway) DRM is the main source of development finance and needs to be increased (Sweden, EU) Foundation of the social contract rests within DRM which would need to address unjustified tax incentives, large informal economies, limiting number of tax payers, under taxation of mining companies, under taxation of land and property, domestic and international IFFs, illegal assets and return of stolen assets (Switzerland) Increase revenue by focusing on tax payers' behavior and minimizing the tax gap (Finland) Strengthen DRM and the effective use of development finance. Improve tax collection and efficiency of public spending, including through capacity building, reducing IFFs, combating tax evasion and avoidance, and combating corruption (Slovenia, Montenegro, Croatia, Bulgaria, Austria, Italy, Turkey, Spain, Denmark, Ireland, Norway, UK) Strengthen DRM through tax collection, capacity building, reducing IFFs, combating corruption, tax evasion and avoidance, strengthening money laundering, improving stolen asset recovery, and securing revenues from natural resources (Netherlands) Separate target on combating IFFs to address areas beyond corruption such as money laundering, tax evasion, and unfair trade policies. Add: combatting corruption and strengthening anti-money laundering and Improving transparency of governments and companies, and securing revenue from natural resources (Netherlands)	Strengthen domestic resource mobilization, including through international support to developing countries to improve domestic capacity for tax and other revenue collection (OWG, 17.1) By 2030 significantly reduce illicit financial and arms flows, strengthen recovery and return of stolen assets, and combat all forms of organized crime (OWG, 16.4) Substantially reduce corruption and bribery in all its forms (OWG, 16.5) Fighting corruption at all levels is a priority. Corruption is a serious barrier to effective resource mobilization and allocation, and diverts resources away from activities that are vital for poverty eradication and economic and sustainable development (Monterrey, 13)
Multilateral Trade System	Reduce trade distortion and trade costs globally and enhance support for trade-related capacity development in developing countries, including enhancing aid for trade (Netherlands) An open, rules-based multilateral trade system benefits all countries and should be promoted (Denmark, Ireland, Norway, UK)	Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the WTO including through the conclusion of negotiations within its Doha Development Agenda (OWG, 17.10) Implement the principle of special

	Supports target 17.10 and suggests for all trade-related targets to be aligned with WTO and include the following: ensuring a regulated financial system, enhancing policy coherence for sustainable development, ensuring long-term stable private foreign investment, encouraging inclusive access to financial services, curbing illicit financial flows, and eliminating tax evasion (Switzerland, France, Germany) Ensure that open, rules-based trading system benefits all countries (Italy, Turkey, Spain) Develop value chains to improve regional and sub-regional trade cooperation and connectivity (Sweden) Address non-tariff measures and barriers and develop standards and technical regulations transparently and in a non-discriminatory manner (Sweden)	and differential treatment for developing countries, in particular least developed countries, in accordance with WTO agreements (OWG, 10.a) A universal, rule-based, open, non-discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can substantially stimulate development worldwide, benefiting countries at all stages of development. In that regard, we reaffirm our commitment to trade liberalization and to ensure that trade plays its full part in promoting economic growth, employment and development for all. We thus welcome the decisions of the World Trade Organization to place the needs and interests of developing countries at the heart… (Monterrey, 26)
Market Access	Promote open and inclusive rules-based trading system including by increasing LDC's share of global trade and market access, improving trade efficiency, including by carrying out trade facilitation measures, and removing harmful tariffs (Denmark, Ireland, Norway, UK) Provide LDCs with greater duty-free and quota-free market access for goods and preferential access to services in line with the Bali agreement (Netherlands) Encourage the implementation of the WTO Bali agreement outcomes by including 'preferential access to services' in target 17.2 (Poland, Romania) Supports target on the promotion of an open, predictable, and rules-based multilateral trading system with the WTO at its center (Slovenia, Montenegro) In line with the Istanbul Programme of Action, integrate the poorest developing countries further into the global trading system by doubling the share of LDC exports in global exports by 2020 (Poland, Romania) Promote strong international institutions including conclusion of reforms regarding effective participation of developing countries in IFIs (Netherlands) Include inclusive access to financial services (Switzerland, Germany, France)	Realize timely implementation of duty-free, quota-free market access on a lasting basis for all least developed countries consistent with WTO decisions, including through ensuring that preferential rules of origin applicable to imports from LDCs are transparent and simple, and contribute to facilitating market access (OWG, 17.2) Increase significantly the exports of developing countries, in particular with a view to doubling the LDC share of global exports by 2020 (OWG, 17.11) We call on developed countries that have not already done so to work towards the objective of duty-free and quota-free access for all least developed countries' exports, as envisaged in the Programme of Action or the Least Developed Countries adopted in Brussels. Consideration of proposals for developing countries to contribute to improved market access for least developed countries would also be helpful (Monterrey, 34)

International Public Finance-ODA, FDI, and Debt	ODA commitments for LDCs. 0.15-0.20% should be increased (Sweden) Recommitment by developed countries to meet ODA targets is essential (Denmark, Ireland, Norway) ODA should be inclusive, focused on results, climate-friendly, and wherever possible, should achieve multiple objectives (UK) Supportive of providing ODA to those countries in need, including LDCs, LLDCs, SIDS, fragile states, and countries in vulnerable situations (EU, Netherlands) Increase global FDI to LDCs (UK, Denmark, Sweden) Mobilize financial resources for FDI and take measures to enhance debt sustainability (Netherlands) Include the issue of tax havens and for debt sustainability, consider positive issues like programs for conversation of debt and challenges regarding limited public resources (Spain, Italy, Turkey)	Developed countries to implement fully their ODA commitments, including to provide 0.7% of GNI in ODA to developing countries of which 0.15-0.20% to least-developed countries (OWG, 17.2) Encourage ODA and financial flows, including foreign direct investment, to states where the need is greatest, in particular LDCs, African countries, SIDS, and LLDCs, in accordance with their national plans and programmes (OWG, 10.b) We urge developed countries that have not done so to make concrete efforts towards the target of 0.7 per cent of gross national product (GNP) as ODA to developing countries and 0.15 to 0.20 per cent of GNP of developed countries to least developed countries (Monterrey, 42) Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries (HIPC) to reduce debt distress (OWG, 17.4)
Innovative Financing	Add a target on mobilizing innovative financing mechanisms in addition to ODA (Italy, Spain, Turkey) Ensure finance comes from a broad range of sources—i.e. public, private, domestic, and international (Denmark) Mobilize all financial resources from multiple sources, including innovative financing for sustainable development (Netherlands) Ensure long-term stable private foreign investment (Switzerland, Germany, France) Need to shift away from “aid effectiveness” and towards “development effectiveness” (EU)	Mobilize additional financial resources for developing countries from multiple sources (OWG, 17.3) Promote the use of ODA to leverage additional financing for development, such as foreign investment, trade and domestic resources (Monterrey)