Analysis of and recommendations for the Financing for Development (FfD) zero draft of 17 May 2015

A Preliminary Assessment by the Rapid Response Group (of the Addis Ababa Coordinating CSO Group for FfD)

- *Each paragraph that is analyzed is copied directly from the 17 May zero draft.*
- *Below it is a box that contains analysis and suggested language for consideration.*

<u>Addis Ababa Accord</u>

I. A global framework for financing sustainable development

4. Current policy, financing and investment patterns are not delivering the future we want. There are enormous unmet financing needs for sustainable development. Estimates vary due to the complexities of quantifying needs, but consistently point to a significant financing shortfall. The 2008 financial crisis exposed risks and vulnerabilities in the international financial system. Some countries have fallen further behind, and inequalities have increased. Global growth has moderated and is projected to remain below pre-crisis levels. Shocks from economic crises, conflict, natural disasters, and disease outbreaks spread rapidly in our highly interconnected world. Environmental concerns, climate change and other global risks threaten to undermine past successes and future prospects.

Input for Paragraph 4: *The following is missing from this paragraph and needs to be included:* The linkages between the multiple crises of finance, climate and food and their impacts on development, equity and human rights are missing in this paragraph. Inequality has increased in many countries both during the growth and crisis years, and poverty and hunger persist amid great plenty for some. Global growth has been anemic in the post-crisis period and fiscal pressures have increased. The developing world faces the after effects of the crisis response policies by developed countries in terms of falling growth rates, external financing difficulties, enterprise bankruptcies and development setbacks.

5. Yet, solutions can be found through strengthening official finance, unlocking the transformative potential of people and the private sector while ensuring that investment patterns support sustainable development, and by strengthening national and international policy environments. We recognize that effective policies, regulatory frameworks and appropriate incentives at all levels are essential for the shift towards sustainable development. We reaffirm the importance of freedom, peace and security, good governance, rule of law, sound economic policies and solid democratic institutions at the national and international levels. These are central to enable the effective, efficient and

transparent mobilization and use of resources. We commit to pursue policy coherence for sustainable development at all levels and by all actors.

Input for Paragraph 5: The phrase "…unlocking the transformative potential of people and the private sector" should not merge people and the private sector into one sentence. Any mention of the private sector needs to stress the alignment of their activities with both international human rights and the three pillars of sustainable development: social, economy and environment.

The first part of the paragraph is eroding the global partnership for development. States under the principle of International Cooperation and CBDR are the primary duty bearers.

The current draft grossly fails to acknowledge the country ownership and leadership of development processes. The draft should be amended with the language that follows in bold: "We reaffirm the importance of freedom, … **We commit to strengthening the ownership and the national leadership of development processes …"**

6. We reaffirm that gender equality and women's empowerment are essential to achieve equitable and effective sustainable growth and development. We reiterate the need for gender mainstreaming in the formulation and implementation of financial and economic policies and agree to implement transformative actions to ensure women's equal rights, access and opportunities for participation and leadership in the economy.

Input for Paragraph 6: It is important to insert "**women's human rights**" in the first sentence. In the second sentence, gender mainstreaming is being reduced to economic and financial policies instead of "development" policies. There is no mention of <u>dedicated resources</u> as is stated in both the Monterrey Consensus and Doha Declaration, so the language here is regressive. The language to "ensure women's equal rights" is crucial, however the notion of "leadership" is not productive to the realization of rights for all women, whether or not they are leaders.

Paragraph 4 of the Doha Declaration contains stronger language on gender: "4. We recall that gender equality is a basic human right, a fundamental value and an issue of social justice; it is essential for economic growth, poverty reduction, environmental sustainability and development effectiveness. We reiterate the need for gender mainstreaming into the formulation and implementation of development policies, including financing for development policies, and for dedicated resources. We commit ourselves to increasing our efforts to fulfill our commitments regarding gender equality and the empowerment of women." Paragraph 64 of the Monterrey Consensus also agrees to "Mainstream the gender perspective into development policies at all levels and in all sectors."

8. At the same time, we recognize that our countries' sustainable development prospects will depend on our joint efforts to address global challenges. National development efforts need to be buttressed by an enabling international economic environment. Our national strategies must be supported by a new global partnership for sustainable development, based on efforts and responsibilities shared by all, taking into account different national realities and needs and the differentiated impacts of national policies on global sustainable development prospects. We acknowledge the needs of countries in special situations, including least developed countries (LDCs), landlocked developing countries (LLDCs) and small-island developing States (SIDS), countries in conflict and post-conflict situations, sub-

Saharan Africa as well as the specific challenges facing the middle-income countries. In this regards, we agree to strengthen support for the implementation of relevant strategies and programmes of action, including the Istanbul Declaration and Programme of Action, the Samoa Pathway, the Vienna Programme of Action for Landlocked Developing Countries, and the New Partnership for Africa's Development.

Input for Paragraph 8: The line on 'new global partnership for sustainable development' is not acceptable as it seeks to *redefine* the concept of global partnership for development which has been consistently defined as the obligations of developed countries to assist and support developing countries, and the need to reform the unequal world economic structures and governance that disadvantage developing countries. The sentence above, "based on efforts and responsibilities shared by all, taking into account different national realities and needs and the differentiated impacts of national policies on global sustainable development prospect" does *not* reaffirm developed countries' obligations to developing countries and instead removes the distinction between developed and developing countries through phrases "shared by all" and "differentiated impacts of national policies on global sustainable development prospects." This removes a historical perspective and the historical responsibilities of developed countries. If this line remains it would enable a *redefinition* of global partnership and of the Rio principle of common but differentiated responsibilities (CBDR). The reference to "different national realities and needs" also attempts to remove the distinction between developed and developing countries and subverts CBDR. Therefore this whole line has to be replaced. A para from the previous FFD approved texts may be useful to put here instead.

Suggested language: '**The national development plans and actions of developing countries need to be supported and assisted by developed countries in an enhanced and strengthened global partnership for development**."

9. The fundamental responsibility for organizing this global partnership lies with governments. We will be held accountable by future generations for the success of commitments we make today. Our success will also depend on the resources, knowledge and ingenuity of business, civil society, the scientific community, philanthropists and foundations, and other stakeholders. We urge business to embrace our commitment to sustainable development, including by directing private sector assets, technologies and capital towards sustainable investments with a long term perspective, and away from harmful, unsustainable ones. We count on civil society around the world to mobilize public support and awareness, and for academia and other experts to bring their scientific, economic, and financial expertise to our pursuit of sustainable development. We will work with all partners to ensure a sustainable, equitable and prosperous future for all.

Input for Paragraph 9: This paragraph runs the risk of instrumentalizing civil society participation and eroding the human rights duties of states as well as non-state actors. Rather than simply urging businesses to embrace sustainable development commitments, businesses should be expected or mandated to do so in their operational activities. This paragraph should also recognize that civil society plans an instrumental role in sustainable development, and should call on states to commit to working alongside CSOs, ensuring multi-stakeholder processes, substantive inclusion, transparency, and so on.

Mobilizing the means to implement the post-2015 development agenda

11. Ensuring productive and healthy lives, delivering equitable education, reducing inequality, ensuring access to water, sanitation and sustainable energy, and finishing the unfinished

business of the Millennium Development Goals (MDGs) – will rely primarily on domestic public resources, supported by international cooperation and partnerships. We commit to a new basic social compact to guarantee nationally appropriate minimum levels of social protection and essential public services for all. We recognize that this entails significant additional investments, such as for strengthening country health and social protection systems and delivering education to all our children, including those in fragile and conflict affected states. We agree to explore the most effective, efficient and coherent funding modalities to do this, including the possibility of global funds, building on the experiences of existing mechanisms and based on country-led experiences. We commit to significant international support for this initiative and we call for philanthropists, foundations and the business sector to join us in these efforts.

Input for Paragraph 11: This is a "no one left behind" formulation, instead of genuine transformation. There have been many problems with private foundation funding distorting public priorities in UN and UN-related organizations whose core funding have been unduly restricted for at least two decades. The Monterrey process recognized the pre-eminence of the public sector in paragraph 23. This is a very significant paragraph that commits all countries to a new social compact, comprising social protection and public services. The key question is whether a developing country has the national resources to implement this. Therefore a line that international support for developing countries as part of the means of implementation and global partnership is crucial to include in this paragraph. At the same time, the reference to "global funds" should be deleted. (Since this paragraph also includes energy, developed countries are reminded that they have committed to providing "new and additional" resources for biodiversity and climate change).

Suggested language: **We recognize that developing countries that do not have adequate national financial resources will require international support to implement these social development programmes, and we commit to mobilise and provide the additional means of implementation as part of the global partnership for development.** The phrase "We commit to a new basic social compact to guarantee" should be deleted.

12. Investments in rural development and sustainable agriculture are essential for eliminating hunger, achieving food security and nutrition, creating decent job opportunities, in particular for rural youth and women, and will lead to rich payoffs across the SDGs. Agriculture is primarily financed through private sources, and we encourage increased private investments in accordance with the Committee on World Food Security's (CFS) Principles for Responsible Investment in Agriculture and Food Systems. At the same time we commit to put in place policies to ensure the sustainability and growth of agriculture. We agree to substantially increase public investment in areas such as rural infrastructure, agricultural research, including tropical agriculture, sustainable food production and food systems, with a particular focus on small scale food producers and on promoting gender equality to attain food security and nutrition for the poorest and most vulnerable. We will further catalyse progress through strengthened policy frameworks to encourage access to markets for farmers, with a particular attention to smallholder and women farmers and a fair multilateral trading system.

Input for Paragraph 12: While the specific mention of sustainable agriculture is to be supported, the remaining text in the paragraph needs to emphasize that private and public investment in agriculture must specifically target women smallholder farmers. Women account for 43 percent of the agricultural labour force in developing countries, ranging from 20 percent in Latin America to 50 percent in Eastern Asia and sub-Saharan Africa. Investments must protect women's secure access and control over land and natural resources such as water and seeds; broaden public extension service provision; and improve access to markets and affordable financial services.

14. The business sector will be a critical driver in achieving sustainable development, creating the vast majority of jobs. Public policies must provide the enabling environment, as well as the policy framework and incentives to ensure that private investment is aligned with sustainable development, norms and standards. To realize full and productive employment and decent work for all, including for women and young people, and working with development banks and private actors, we commit to ensuring appropriate and stable access to credit for micro, small, and medium sized enterprises (MSMEs).

Input for Paragraph 14: Paragraph 23 in the Monterrey Consensus recognized that while governments provide the framework for their operation, businesses, for their part, are expected to engage as reliable and consistent partners in the development process. The enabling environment for businesses usually contradicts the SDGs and respect of human rights as well as women's rights.

Also problematic is the way in which MSMEs are promoted as the tool "to realize full and productive employment and decent work for all." This narrows and constrains commitments.

Addis Ababa Action Agenda

A. Domestic public finance

Input on title A: The above title is a change in the main titles of the "leading actions" from the Monterrey Consensus, in which the first heading of the leading actions is domestic resource mobilization (DRM). Using "Domestic public finance" as a title creates an obstacle for the intention to fulfil the first task listed in Paragraph 2 above: "to follow-up on commitments made in Monterrey and Doha." From a legal point of view, such a review becomes methodologically difficult without following the initial structure of what is to be reviewed.

The first paragraph of this section begins with words "domestic resource mobilization" (DRM). The standard definition of DRM includes private sector investment. By using this heading, the FfD outcome ignores the theoretical meaning of DRM. The original Monterrey chapter designation should be restored: "**Mobilizing domestic financial resources for development**" which includes the financial mobilization of domestic enterprises.

17. Domestic resource mobilization and effective use is the crux of our common pursuit of sustainable development. We remain committed to strengthen the mobilization and effective use of domestic resources in support of national sustainable development strategies. Domestic public finance is necessary to provide public goods and promote equity. Sound economic policies, including counter-cyclical fiscal policies, democratic institutions responsive to the needs of the people, and sustainable infrastructure are the basis of equitable growth, poverty eradication and employment creation.

Input for Paragraph 17: The mention of "public goods and promote equity" and "counter-cyclical fiscal policies" is positive and needs to be vigorously maintained in order to avoid transferring the costs of financial crises and recessions onto women and people living in poverty. It would be good to explicitly refer to "**protect and fulfill human rights**."

18. We recognize that domestic resources are first and foremost generated by sustained economic growth. Effective fiscal policy depends on good governance at all levels and an enabling domestic environment. In this regard, we agree to strengthen our domestic governance and institutions, and to further combat corruption at all levels. We also agree to incorporate sustainable development, and promote equity, including gender equality, as an objective in all tax and revenue policies, including incentives we give to domestic and foreign investors, and tax treaties and agreements.

Input for Paragraph 18: This paragraph is strange in that it ranges from corruption to equity. It is important to maintain the focus on promoting equity, including gender equality. It is also very important to maintain and strengthen the references to tax and revenue polities. Finally, it cannot be assumed that growth automatically generates domestic resources. Due to tax evasion, avoidance and illicit financial flows, growth can lead to net loss of resources unless the appropriate public revenue systems and policies are in place.

Language suggestion:
The last sentence of this paragraph is a good start to provide overall framing and would benefit from being specified into its own paragraph, but also from stronger formulation on inequality, gender and sustainable development, committing countries to put them at the center of:

We also agree to incorporate sustainable development, <u>elimination of extreme inequality,</u> and <u>ensure</u> equity, including gender equality, as an objective in all tax and revenue policies, including in the incentives provided to domestic and foreign investors, and tax treaties and agreements.

19. While many countries have made considerable progress in strengthening fiscal management since the Monterrey Consensus, we recognize that significant additional public resources will be necessary to realize sustainable development and achieve the SDGs. Towards that end we are committed to bolstering government revenues as needed while improving the efficiency of our expenditures. Countries with government revenue below 20 per cent of GDP agree to progressively increase tax revenues, with the aim of halving the gap towards 20 per cent by 2025, and countries with government revenue above 20 per cent of GDP agree to raise tax revenues as appropriate. Globally, we commit to support countries that need assistance, including through substantially increasing ODA and technical assistance for tax and fiscal management capacity, particularly to LDCs.

Input for Paragraph 19: Targets on tax revenue are too prescriptive, and should be removed. They impose an obligation on developing countries since most developed countries already have high tax to GNP ratios. A new obligation on the part of developing countries whose tax-GDP ratio is below 20% is inconsistent with universality of action, since developed countries already have high tax to GDP ratios.

Without due consideration to equity and progressive taxation, such a requirement can increase inequalities. Thus, this paragraph contradicts the prior paragraph 18. From an equity and human rights perspective, the tax base should be expanded in a progressive manner, which implies reforms in tax structures to shift the burden to progressive direct taxes, such as income taxes, wealth taxes and corporate taxes, and to avoid gender bias in tax structures. A target is therefore needed for progressive taxation.

Meanwhile, domestic efforts should be contingent on supporting international efforts, such as combating systematic tax evasion, tax avoidance and illicit outflows, the use of tax havens and measures taken routinely by transnational corporations such as transfer mispricing, base erosion and profit shifting and double non-taxation.

Suggested language: **Progressivity in tax systems and increased developing country space to tax at the source of income for enterprises operating in more than one tax jurisdiction are critical in making sure that public sector resources increase along with the increase in the size of the domestic economy.**

20. To this end, and while recognizing that optimal tax policy is necessarily reflective of a country's economic and social situation, we will work to improve the fairness and effectiveness of our tax systems. Our efforts will include broadening the tax base and continuing efforts to integrate the informal sector into the formal economy as appropriate and in line with country circumstances, while ensuring progressive tax systems. We further agree to strengthen our tax administrations, including through training, digitalization and increasing efficiencies.

Input for Paragraph 20: Instead of focusing on the need to increase the tax base through the formalization the informal sector where women are over-represented it is important to promote progressive taxation systems. Paragraph 20 also thus contradicts Paragraph 18.

22. The full and equal participation of women in the formal labour market would significantly increase not just opportunities for women, but their contributions to domestic revenue and economic growth. Countries should promote social infrastructure and policies that enable women's full participation in the economy and in the labour force.

Input for Paragraph 22: The instrumentalization of women's economic and social rights is a recurring theme in this zero draft, and should be duly avoided. The language here frames women as the source of taxes, while paying little attention to direct tax resources from profitable economic and industrial sectors. The recommendation to promote social infrastructure and policies that enable women's full participation in the economy and in the labor force should thus be detached from the previous sentence.

Language suggestion: **Strong action- oriented measures on guaranteeing social services including care services, labor market regulation, should be included.**

25. We recognize that there are limits to how much governments can individually increase revenues in our interconnected world. We thus commit to a global campaign to substantially reduce international tax evasion through more concerted international cooperation. We agree to work together to strengthen transparency and adopt pending policy innovations, including: public country-by-country reporting by multinational enterprises; public beneficial ownership registries; and multilateral, automatic exchange of tax information, with assistance to developing countries, especially the poorest, as needed to upgrade their capacity to participate. We agree to work through relevant fora to end harmful tax competition. We call on competing countries to engage in voluntary discussions on tax incentives in regional and international fora, which can also stimulate cooperation to stem illicit financial flows.

Input for Paragraph 25: This is an important paragraph to keep, in particular the elements of public country by country reporting and public beneficial ownership registries. It is not only the tax evasion that is the problem, but even more tax avoidance as the recent Mbeki panel report confirmed among others. Also needed is a concrete targets on outcomes of the cooperation, rather then general declarations since there is effort in this areas but usually excludes developing countries – an issue that this process should help to address.

*Language suggestion: After "pending policy innovations," in the 2nd sentence above, to add: "***in a way that they will be instantly accessible to developing countries without reciprocity**."

The paragraph can be strengthened by adding: "**multilateral, automatic exchange of tax information, with assistance for developing countries"**

The following sentence should also be amended: "**We agree to work through relevant fora, <u>including the United Nations,</u> to end harmful tax competition**".

26. In this context, while we welcome ongoing efforts, including the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, we stress that efforts in international tax cooperation should be universal in approach and scope and should fully take into account the differentiated needs and capacities of all countries, including LDCs and SIDS. We commit to strengthen efforts to develop global norms on taxation, taking into account the work of the Organisation of Economic Cooperation and Development (OECD) for the Group of 20 on Base Erosion and Profit Shifting, and we call for more inclusive deliberations to ensure that these efforts benefit all countries, including LDCs and SIDS, as well as a more inclusive governance structure to reflect its global impact. We welcome the efforts of the International Monetary Fund (IMF), including on tax spill-overs and capacity building.

Input for Paragraph 26: The Global Forum on Transparency and Exchange of Information for Tax Purposes is an OECD-led and housed project, where country participation is by invitation. The problem with an OECD-led effort is that it (1) it is unable to address the sharp difference in interests between residence-based and source-based taxation of corporations that operate among various jurisdictions (2) its standards for accounting for transfer pricing, based on the 'arms length' principle are overly complicated for tax authorities in developing countries to monitor and enforce.

For the sake of universality and differentiated responsibilities, the participation – on an equal footing - of developing countries must be ensured and this is only possible in the UN. The UN Committee of Experts on International Cooperation in Tax Matters should also be explicitly referred when acknowledging the progress made to date, to in order to counterbalance the reference to the OECD initiative.

Suggested language: **In order to guarantee the universal character and feasibility of this effort, we mandate and commit the appropriate resources to an intergovernmental body on tax under the auspice of the United Nations to lead these global efforts.**

28. We welcome the work of the United Nations Committee of Experts on International Cooperation in Tax Matters, including on double taxation treaties, transfer pricing, exchange of information, the taxation of extractive industries and capacity building. We decide to upgrade the Committee to an intergovernmental committee, to complement the work of other ongoing initiatives and further enhance the voice and participation of developing countries in norm setting for international tax cooperation.

Input for Paragraph 28: The existing UN expert committee on taxation has just recently been established with a mandate that runs until 2017. It consists of experts from tax administrations who act in their personal capacity. The current committee is therefore not suitable to handle an intergovernmental negotiation on tax matters, but could provide very valuable and balanced input to such a negotiation. Therefore, a new intergovernmental body on tax matters should be established under the UN, and the existing expert committee should be maintained as a subsidiary body of the new intergovernmental body.

Suggested language: **We recognize that supporting capacity building in developing countries to upgrade administration within the existing framework is insufficient for transformative change in the context of corporate activities in multiple jurisdictions. We commit to provide establishing an intergovernmental body on tax matters under the auspice of the UN and provide it with a mandate and ample resources to reform international corporate taxation, including to prevent tax evasion and avoidance and ensure global tax cooperation between governments.**

32. In this regard, we agree to increase public spending to secure adequate investments to ensure universal access to basic social infrastructure and inclusive social services, such as health and education. Available data indicates that in general, countries need to spend a minimum of $[300] per person in purchasing power parity terms or 10 per cent of GDP, whichever is higher, to provide essential public services. We agree to make every effort to meet this minimum benchmark for all communities by no later than 2025. We agree to complement national efforts with international support, particularly to LDCs and other vulnerable countries, to ensure that by 2030, every woman, every child and every family has access to a minimum package of essential services.

Input for Paragraph 32: Developing countries generally may not have the financial resources to fund social development programmes to the extent mentioned here. The inclusion of the benchmark to be met by 2025 is a real challenge for many countries. Adding the suggested sentence to provide means of implementation to developing countries is crucial.

Suggested language: **We recognize that developing countries that do not have adequate national financial resources will require international support to implement these social development programmes, and we commit to mobilise and provide the additional means of implementation as part of the global partnership for development.**

B. Domestic and international private business and finance

Input on title B: By using this heading, the FfD outcome ignores the theoretical meaning of DRM, which relies on domestic enterprises, not just households and government, as a large contributor, probably the largest contributor, to domestic resource mobilization. The previous use of this heading, and the transfer of the domestic private sector role to this section, unduly straitjackets developing country governments from undertaking policies that build their own domestic private sectors. The section should be changed back to the original Monterrey Consensus chapter "**Mobilizing international resources for development: foreign direct investment and other private flow**s" and adjustments made.

37. We acknowledge the role of private business activity, investment and innovation as major drivers of increased productivity, job creation, and economic growth, which provide people

with the opportunity to overcome poverty and inequality. We welcome the significant growth in private activity – domestic private savings and investment, foreign direct investment (FDI), remittances from overseas workers and philanthropy – since Monterrey. Monterrey tasked us to continue our efforts to achieve a transparent, stable and predictable investment climate, with proper contract enforcement and respect for property rights, and many countries have made great strides in this area. We commit to continue to promote and create the right enabling conditions for inclusive and sustainable private sector investment. <u>Businesses will play a critical role in our new agenda, and we call on them to engage as partners in the development process</u>. We welcome the growing number of businesses that embrace corporate responsibility and take full account of environmental and social impacts in all their activities, and urge all others to do so. We are encouraged by the growth of impact investing, which combines a return on investment with social and environmental impacts.

Input for Paragraph 37: Para 37 stresses a reliance on the private sector while not mentioning at all the role of the public sector. The need to regulate private corporations is missing. This is contrary to current thinking after the 2009 financial crisis caused by excessive belief in unregulated finance and the consensus now that private financial markets must be strongly regulated.

Instead of outsourcing the state's responsibilities on international cooperation to multi-stakeholder partnerships with the private sector, governments need to increase the mobilization of predictable public resources and at the same time agree on an international legally binding instrument on Transnational Corporations to monitor their compliance with Human Rights and environmental standards, in line with the resolution A/HRC/26/L.22 approved by the Human Rights Council in 2014.

Furthermore, the focus in the paragraph is simply on voluntary commitments, which do not go very far.

Suggested language: **In line with the principle of international development cooperation, developed countries must increase the mobilization of predictable public resources. UN member states should also develop the Human Rights Council approved resolution A/HRC/26/L.22 on an international legally binding instrument on Transnational Corporations into a multilateral UN treaty.**

*Suggested language to be inserted after the sentence, "*Businesses will play a critical role in our new agenda, and we call on them to engage as partners in the development process"*:* **subject to the regulatory power of the State and while ensuring that the role of the public sector is enhanced**

38. Nonetheless, we recognize that business practices need to be more in line with sustainable development objectives. Many people still lack access to financial services, and FDI largely bypasses countries most in need. We acknowledge risks associated with excessive leverage, the short-term nature of many investments, and the importance of the quality of investment. We call on private actors to invest with the long-term horizons necessary for sustainable development, and to apply their creativity and innovation toward solving sustainable development challenges. At the same time, we acknowledge the responsibility of governments to develop regulatory systems to align business incentives with sustainable development.

Input for Paragraph 38: This paragraph recognizes that business practices need to be in line with sustainable development, but does not mention the need for regulations to bring them in line. This should be mentioned at least once, in the spirit of the Rio principle on precaution otherwise FFD3 is a whitewash for unregulated business.

It would be good to highlight here that without stronger regulation by governments, it is likely that short-term and volatile international private financial flows will "again" cause the next crisis. The Monterrey Consensus noted that: "Measures that mitigate the impact of excessive volatility of short-term capital flows are important and must be considered."

Also, the responsibility and accountability of donor countries to ensure their use of public funds, including ODA, contributes to sustainable development outcomes must also be ensured through language.

Suggested language for Para 38: **We further recognise that regulations are needed to ensure that business activity is in line with sustainable development practices and goals. We also recognise the need for businesses to take account of the potential social, environmental and human rights impacts of their practices and to adhere to the Guiding Principles on Business and Human Rights that were adopted by the Human Rights Council.**

39. We support the many initiatives to formulate and adopt principles for socially and environmentally responsible investment and business activities and invite businesses to sign on to and apply these principles. Such principles should also address business' role in preventing and fighting corruption.

(only the first two sentences)

Input for Paragraph 39: Rather than the weak language of "We support…", stronger language could look like:

"**Establish a process to unify the many initiatives to formulate and adopt principles for a set of sustainable development criteria to be applied to public funds used to leverage private sector investment, drawn on existing UN principles**."

42. Evidence shows that gender equality and women's full participation as economic agents improves the profitability and competitiveness of business and is vital to achieve sustainable development and a vibrant economy. To this end, we reaffirm our commitment to eliminate gender-based discrimination in all its forms. We commit to ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance. We further encourage the private sector to contribute to advancing gender equality through ensuring women's full and decent employment, equal pay and equal opportunities.

Input for Paragraph 42: This paragraph instrumentalizes and commodifies women as agents to improve the profitability and competitiveness of businesses. Rather, women have full human rights on their own accord, and women require enabling conditions to ensure their rights are fulfilled and guaranteed. To support this, stronger language is required to uphold the full realization of women of all ages' human rights. This necessitates the strengthening of co-responsible measures between the state, the private sector, communities, households and families, men and women, to reduce and redistribute unpaid domestic and care work.

This is congruent to and strengthens what is stated in the Open Working Group outcome document, target 5.4, which recognizes and values unpaid domestic care work through the provision of public services, infrastructure and social protection policies. Gender inequality also needs to be addressed with differentiated measures towards ensuring the implementation of the provisions stated in the Monterrey Consensus and the Doha Declaration, but also recognizing as a core agenda within the Means of Implementation the promotion of direct access to finance for women's and feminist organizations.

An important point to consider is that there is evidence to show how gender inequality directly improves business profitability and competitiveness. Therefore, this reference to business profits and competition should be removed from Paragraph 42.

44. Remittances from overseas workers are a significant financial resource for households in many countries. To enhance their impact on development, countries should integrate remittances into their national financial inclusion strategies. No remittance corridors should require charges higher than 5 per cent by 2030. In this regard, we welcome the G20 initiative to lower the cost of remittances, as well as efforts by the World Bank in measuring remittances and advising on efforts to reduce remittance transfer costs. We commit to work with relevant partners to lower the cost of remittances, including through ensuring competitive and transparent market conditions, exploiting new technologies and improving data collection, with a view to reducing the charge for a remittance transfer to less than 3 per cent of the amount transferred.

Input for Paragraph 44: Efforts to enhance the development impact of remittances, if not done on a voluntary basis, violate human rights to one's earned income. The other kind of factor income are royalty payments for access to intellectual property mostly based in developed countries and flowing the other way from developing to developed countries. Maximizing the development impact of this factor income from intellectual property could involve lowering royalty payments from developing countries, or forcing their reinvestment in the countries that are paying royalties.

Suggestion: **Delete the sentence**: "To enhance their impact on development, countries should integrate remittances into their national financial inclusion strategies."

47. We are concerned that short-term cross-border capital flows can create excessive volatility, which should be contained through appropriate regulations, in conjunction with capital account management tools, when appropriate.

(concerning only the second to last sentence above)

Input for Paragraph 47: The above second-to-last-sentence is a welcome recognition, but for this regulation to be applied efficiently, there must be a review of the barriers to national policy space to enact regulations such as capital account management tools.

Suggested language: "**Obstacles to capital account management and other regulations should be removed, including in trade and investment agreements**."

(It makes sense to stress this here *and* in the chapter on trade).

52. We recognize that blended finance (combining concessional and non-concessional international public finance), pooled financing platforms and public-private partnerships (PPPs) have significant potential to contribute in this area. In particular national and multilateral development banks can be constructive partners, both in terms of financing and skill building. It is also important that careful consideration be given to the appropriate use and structure of pooled financing instruments, including of PPPs. Projects should be transparent, share risks and rewards fairly, and be implemented following feasibility studies that demonstrate, inter alia, that they are the most effective way to structure the investment. PPPs should not replace or compromise state responsibilities, nor should they impose unsustainable debt burdens or contingent liabilities on governments.

Input for Paragraph 52: The UN must not endorse PPPs and private sector engagement overall without robust mutual accountability measures such as assessments and evaluations for genuine development impact that are <u>conducted ex-ante</u>, meaning before the project or partnership is operationalized. Transparent and regular reporting are also critical, as well as criterion that should be met prior to approval of the PPP or blended finance.

Furthermore, strong criteria for eligibility as well as dismissal of the private actor should be put in place when partnerships are promoted in the UN. Accessibility, affordability and quality of the services and infrastructure should be guaranteed. Moreover, this modality should be aligned with strategic investment policies that deliver on decent work creation and sustainable development across all three pillars of economic, social and environmental realms.

The fiscal and debt burdens, as well as continent liabilities, placed on the public sector by PPPs can adversely impact sustainable development and exacerbate the concentration of wealth from the public sector to the private sector. This is a systemic obstacle to achieving the structural transformation needed under the FfD3 framework.

Suggested language: **UN partnerships with the private sector must establish an open, transparent and participatory intergovernmental mechanism for the monitoring, evaluation and review of any partnership developed in the UN. Such an intergovernmental mechanism must include measures for mutual accountability through ex-ante assessments and independent, third-party evaluations rooted in the existing obligations in all three dimensions of sustainable development and the international human rights framework, particularly the extraterritorial practices of transnational corporations. This accountability mechanism should be developed by the next General Assembly conference.**

56. We welcome the significant increase in the volume of ODA since the adoption of the Monterrey Consensus, despite the difficult fiscal situation of many countries, and are encouraged by those countries that have recently met or surpassed their commitments. Nonetheless, many still fall significantly short of their commitments. We urge all developed countries that have not yet done so to substantially increase their ODA starting immediately with a view to implementing by 2020 their commitment to allocate 0.7 per cent of GNI as ODA to developing countries, with 0.15-0.20 of GNI to LDCs. We strongly encourage all donor countries to establish, by the end of 2015, indicative timetables to illustrate how they will increase their assistance and reach their goals.

Input for Paragraph 56: Countries are only “urged” to meet the 0.7% deadline of 2020. This paragraph can be radically improved by saying countries “**commit**” to meet the 0.7% deadline by 2020 and want “**binding**” timetables. Aid is difficult to enforce and hold accountable without binding timetables.

57. ODA remains critically important for countries that have limited capacity to raise public resources domestically, including LDCs, LLDCs and SIDS, fragile and conflict affected states, those in protracted crises and sub-Saharan Africa. We encourage developed countries to target ODA to the poorest and those most in need, taking into consideration agreed spending requirements to end poverty and invest in people. We note with great concern the decline in the share of ODA allocated to the poorest and most vulnerable countries, and welcome the agreement of members of the OECD Development Assistance Committee to reverse the declining trend of aid to LDCs.

Input for Paragraph 57: Focusing ODA and International public finance on the poorest and those most in need should be just an option. Language may change, in line with comments on Paragraph 56, in "**We call on developed countries to commit to targeting ODA** to the **poorest countries and those most in need…"** .

58. An important use of ODA is to catalyze additional resource mobilization from other sources, public and private. ODA can support improved tax collection and help strengthen domestic enabling environments. It can also be used to unlock infrastructure projects through blended or pooled financing, risk mitigation and through science and technology development and exchange. We will hold open, inclusive and transparent discussions on the modernization of the ODA definition and on the proposed indicator of "total official support for sustainable development (TOSSD)".

Input for Paragraph 58: The focus on the catalytic role of ODA is ambiguous and potentially problematic as the current wording of Paragraph 58 reflects two different visions: utilizing ODA through market-based interventions such as pooled financing and leveraging, which raises some concerns about both the evidentiary basis to support these interventions and the development impact. Conversely, there is also recognition of the role that ODA can play in supporting better domestic resource mobilisation including improving tax collection. The UN should not support such an ambiguous approach. The UN should be consistent with the call for ODA to be focused on the poor and the most in need, as per Paragraph 57.

The current draft should be rephrased, staring with "**The catalytic role of ODA should be subject to close scrutiny to assess consistency with the effectiveness principles and whether there is any added real value whenever international public finance is diverted from its primary focus on poverty reduction and sustainable development**."

59. We welcome the increased contributions of Southern partners to sustainable development and look forward to a further strengthening of South-South cooperation and triangular cooperation, including through multilateral efforts in new institutions. We invite developing countries in a position to do so to further scale up their efforts and make their support more effective, in keeping with the provisions of the Nairobi outcome document of the High-Level United Nations Conference on South South Cooperation. We welcome the initiative of developing country providers to work collectively through the UN Development Cooperation Forum on improving data and coordinating policies on South-South cooperation. We encourage South-South providers to work to further enhance mutual accountability and transparency <u>with respect to cooperation provisions so as to assist partner countries in</u>

planning the most effective use of this support, and to consider including targets and timelines where appropriate, according to methodologies conceived by developing countries that better fit their specificities. We also commit to strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation.

Input for Paragraph 59: The declaration should not be prescriptive on what South-South cooperation should be or should look like, as it is voluntary and based on solidarity (not obligation) and if the declaration imposes conditions and obligations on South-South cooperation this will be counter-productive in generating disincentives to those who would otherwise expand South-South cooperation. *So the declaration should not ask developing countries to ask for future spending plans.* (If South-South assistance is voluntary and based on solidarity, the countries should *not* be asked to reveal any future plans or figures, as this will begin to put them on same footing as developed countries which have obligations, and this will thus backfire.)

Suggestion: **Delete the sentences above that are underlined.**

61. We further acknowledge the importance of aligning all financing flows, including ODA, with the three dimensions of sustainable development and that we need to build climate and disaster resilience considerations into development assistance to ensure the sustainability of development results. We recognize that well-designed development actions can capture multiple local and global benefits, including those related to climate change. We recognize the need for transparent accounting for climate finance and welcome the ongoing work in the UNFCCC.

Input for Paragraph 61: This paragraph should be **deleted** because it carries the danger of implying a recognition (and implicit approval) of this trend of financing climate-related activities with ODA. Developing countries have always insisted that climate financing should: (1) be new and additional to ODA; (2) is not part of ODA but part of a commitment within UNFCCC; and, (3) that a large part of climate financing should be for adaptation (Green Climate Fund even decided that half of the GCF resources should be for adaptation). This sentence in one stroke undermines all these understandings.

If language on climate finance is really required, language on climate financing can be borrowed from Paragraph 191 of the Rio+20 outcome document. The second-to-last line of Para 191 simply states: "*We recognise the importance of mobilising funding from a variety of sources, public or private, bilateral and multilateral, including innovative sources of finance*." Additionally, Paragraph 252 in Rio+20 under means of implementation for sustainable development, states: "*We reaffirm developing countries need additional resources for sustainable development*."

65. We call on the IFIs to establish a process to examine the role, scale and functioning of the multilateral and regional development finance institutions to make them more responsive to the sustainable development agenda.

Input for Paragraph 65: If this "process to examine" (which should be explicitly called a "review") is conducted by IFIs, it will not make any difference to development – the track record has shown this. Such a review has to be housed within a UN intergovernmental process or committee under the auspices of the UN. The review should also examine existing practices to leverage international private finance by using public institutions and resources.

Language suggested: **"We call on the UN to establish a review process either intergovernmentally or through a committee, which will examine the role, scale and**

functioning of the multilateral and regional development finance institutions to ensure they abide by the sustainable development goals. The review should also address existing practices to leverage private finance by using public institutions and resources.

72. We also welcome continued efforts to increase the effectiveness of development cooperation, and the progress that has been achieved. We will further strengthen national ownership and alignment of activities with national priorities, including through increased joint programming based on national strategies, fully untying aid, strengthening its results orientation and use of country systems, building genuine and inclusive partnerships, and increasing transparency and mutual accountability.

Input for Paragraph 72: This paragraph contains an urgently needed commitment to untie aid. However there is no adequate follow-up mechanism attached. Such a process should be pushed for in order to ensure that the untying of aid is brought to fruition.

Some elements could be further expanded and clarified, in particular: (a) the fact that the effectiveness principles must apply to all development flows and actors; and, (b) what the responsibilities are for different actors in delivering these principles. As this section is under the international public finance heading, there is also a risk that these principles are seen as applying only to aid as opposed to all flows. Future drafts should move this section to the global partnership section to ensure that it's universality is clear.

Development cooperation effectiveness and principles, as well as sustainable development goals objectives, should be applied not only to traditional forms of public finance like ODA but also to new forms such as ODA being used to leverage private finance and blended finance that mixes ODA and private finance.

75. Since the adoption of the Monterrey Consensus, developing countries have dramatically increased their share in world exports. South-South trade in particular has increased, partly due to the development of global value chains, in which the stages of production from design to the various steps in manufacturing to marketing and sales may take place in different locations around the world. At the same time, LDC participation in world trade in goods and commercial services remains low and world trade seems unable to return to the buoyant growth rates seen before the global financial crisis. Regional integration has boosted trade growth and must be further encouraged. We will endeavour to significantly increase world trade in a manner consistent with sustainable development, in particular to the benefit of the LDCs.

Input for Paragraph 75: The reference to global value chains (GVCs) in relation to South-South trade has some but not strong evidence. In any case, GVCs are dominated by lead firms in developed countries, who decide which developing countries have the privilege of hosting their tasks and who ensure that most of the value-added are in the OECD countries. There should be language to inject a degree of caution about the impact that North-South trade agreements may have on South-South regional integration and Southern development policy space. Even with its problems, the multilateral, as opposed to the plurilateral, bilateral, regional, approach to trade expansion provides the broadest and fairest approach where all parties have the ability to bargain in a more equal manner, and features such as special and differential treatment have a stable role.

Suggested language to be inserted: **Free trade agreements (FTAs) between some developed and developing countries must be negotiated with caution, ensuring that sufficient flexibilities are provided to developing countries. Due to the lack of competitiveness of some of the developing countries, the impact of such FTAs on local industries and production can be negative.**

76. We remain deeply concerned at the failure to conclude the Doha Development Agenda, and call on WTO members to redouble their efforts to successfully conclude the negotiations as soon as possible and to recommit to placing the interests and concerns of developing countries at the heart of these negotiations. We commit to combat protectionism in all its forms. In accordance with the mandate of the Doha Development Agenda we urge WTO members to seek to correct and prevent trade restrictions and distortions in world agricultural and fishery markets, including by the elimination of all forms of agricultural export subsidies and disciplining all export measures with equivalent effect. We also urge WTO members to commit to accelerate the accession of all developing countries, in particular LDCs, engaged in negotiations for membership in the WTO.

Input for Paragraph 76: Para 76 should recognize special and differential treatment (SDT) and the food security needs of developing countries. The sentence "We commit to combat protectionism in all its forms" was a major contentious issue at the Geneva Ministerial in 2011 and risks being so again here. The language relating to WTO accession should be improved to link it to some qualitative indicator that would reflect the idea that accession should not be WTO-plus with respect to acceding countries.

Furthermore, in WTO agreements, agriculture and fishery sectors each have their own language. The two are not lumped together. It is best to remove the word fishery. For example on fishery subsidies there is usually language on SDT for developing countries and exemption for artisanal fisherfolk when talking about reducing fishery subsidies. By lumping agriculture and fishery subsidies together in the text, these nuances cannot be captured and thus it is the fishery subsidies issue that is being distorted here.

Finally, special and differential treatment must be specifically referred to in this paragraph as it is a major element of the Doha Development Agenda, and gives a good introduction to para. 77 below.

Suggested language: **Full implementation of special and differential treatment in accounting for the food security needs of developing countries must be recognized.**

Special and differential treatment must be provided to developing countries.

The last sentence on WTO accession for developing countries should be nuanced with: **Accession to the WTO should be on terms which are appropriate to the development needs and objectives of the acceding developing country**.

81. We will carry out negotiation and implementation of trade and investment agreements in a transparent manner to ensure that trade and investment treaties do not constrain domestic policies to reduce inequality, protect the environment or ensure adequate tax revenues. We will strengthen safeguards in investment treaties, especially by proper review of investor-state-dispute-settlement (ISDS) clauses, to ensure the right to regulate is retained in areas critical for sustainable development, including health, the environment, employment,

infrastructure (including electricity and transport), public safety, macro prudential regulations and financial stability.

Input for Paragraph 81: UNCTAD is already holding well attended and high level meetings to review investment agreements. This should continue and the FfD3 Conference should give this UNCTAD mandate a boost, particularly since UNCTAD XIV is coming up in 2016.

It is also crucial to call for the mandatory review of multilateral, plurilateral and bilateral trade and investment agreements, as well as an ex ante and ex post-facto gender, human rights and environmental impact assessments for all trade and investment policies. This will facilitate a necessary re-orientation of trade and investment to creating decent work, eliminating the gender pay gap, providing technology transfer, promoting links with small and medium enterprises and fostering territorial decentralization and productive diversification.

Suggested language: **We request UNCTAD to continue organising consultations with member states to review investment agreements on ways to bring them in line with sustainable development objectives.**

Suggested language: **Governments must undertake mandatory reviews of multilateral, plurilateral and bilateral trade and investment agreements, especially North-South agreements, focusing on the right to development, and the specific rights to food, health, and livelihood taking into account the impact on marginalised groups. Trade and investment policies must also be subject to ex ante and ex post-facto gender, human rights and environmental assessments.**

Debt and Debt Sustainability

83. The monitoring and prudent management of liabilities is an important element of comprehensive national financing strategies and is critical to reducing vulnerabilities. In this regard, debt sustainability analysis (DSA) can be a useful tool to inform the level of appropriate borrowing. We welcome the efforts of the World Bank and the IMF to continue to improve the analytical tools for assessing debt sustainability and prudent public debt management. We also welcome their and others efforts to assist countries in strengthening their sovereign debt management and commit to strengthening technical assistance in this area. We invite the IMF and the World Bank in an open consultative process with relevant stakeholders, to further strengthen their analytical tools for sovereign debt management, by for example better taking account of the growth-inducing effects of debt-financed public investment.

Input for Paragraph 83: This additional text relating to the "impact of debt servicing on the realization of the SDGs" is needed in order to link the World Bank and IMF's work on debt to SDG implementation. Analyses of debt sustainability should incorporate the impact on debt servicing on the realization of the SDGs, otherwise the Addis outcome cannot be well associated as means of implementation (MOI) for the SDGs.

The impact of public-private partnerships (PPPs) on debt sustainability (through practices to classify PPP-related public liabilities as 'off-budget' liabilities) should also be highlighted.

Suggested language: **We urge that official debt sustainability assessments pay explicit attention to the fulfillment of internationally agreed goals such as MDGs and SDGs as a priority over debt servicing. We also urge that official debt sustainability assessments reflect public liabilities associated with PPPs.**

86. We affirm that in instances where governments face the need to restructure their repayment obligations, it is important that debt restructurings be timely, effective and fair. We believe that the aim of the workout from a sovereign debt crisis should be to restore public debt sustainability and to help the government and people reap the benefits of higher growth. In addition, the ability of countries to achieve sustainable development should be taken into account in debt restructurings.

Input for Paragraph 86: If the Addis outcome is to be part of the MOI for the SDGs, then it should incorporate the means by which growth and renewed access to external finance can be afforded to countries is a situation of sovereign insolvency.

There should also be an explicit reference to the sovereign debt workout resolution (Res. 63/804) adopted by the UN General Assembly so as to give stress to this important initiative.

The previous Elements paper had referred to debt audits that could be initiated and owned by both creditor and debtor countries. This language on *country-owned debt audits* should be brought back.

Suggested language: **We welcome the decision of the UN General Assembly in its Resolution 68/304 to establish a multilateral legal framework for sovereign debt restructuring and commit to fulfill the mandate to reach an outcome during the 69th General Assembly, and we agree to engage in subsequent international discussions as may be warranted.**

87. We recognize that important improvements have been made since Monterrey in enhancing the processes for cooperative restructuring of sovereign obligations, including in the Paris Club of official creditors and in the market acceptance of new standard clauses of government bond contracts. Yet we acknowledge that the resolution of sovereign debt crises is governed by a loose set of arrangements. We recognize that there is room to improve the burden-sharing between public and private sectors and between debtors and creditors. This will require a design of international arrangements that minimizes both creditor and debtor moral hazard, and facilitates a fair and efficient restructuring, that respects the principle of shared responsibility. We welcome the recent work on the IMF's lending framework and take note of the ongoing work at the IMF, UNCTAD and the UN in this area.

Input for Paragraph 87: By welcoming IMF work and only taking "note of" UNCTAD and UN work, it implies that the ongoing UN work is not as legitimate or worthwhile. This is made more pronounced when the UN General Assembly's work on the multilateral framework for debt restructuring is not even explicitly mentioned. This carries the risk of killing the UN's efforts on a debt restructuring framework before it starts in earnest. The other additional texts that refer to the involvement of the private sector and to the non-bailing out of private creditors recognize that risk-taking private sector creditors should not be bailed out using public funds, particularly in cases where such risk-taking behavior contributed to the debt crisis or to capital flight.

Suggested language: **We emphasize that multilateral lending to debtor countries should not be used to bail out private creditors and to finance capital flight.**

90. We appreciate that severe natural or economic shocks can undermine a country's debt sustainability and that public creditors have taken unilateral steps to offer to ease debt

repayment obligations following an earthquake, a tsunami and in the context of the Ebola crisis in West Africa. We encourage consideration of further steps in this regard, including introducing specific contingencies in standard bond contracts that would automatically extend repayments as well as in the terms of inter-governmental lending, as in GDP-linked loans or other loans with a countercyclical repayment option that the French development agency currently offers to low-income countries.

Input for Paragraph 90: Debt adjustment responses to external shocks should be available to all, not just low income, countries and from donor countries, since these shocks are not self-created.

Suggestion for deletion of the last sentence starting with: "We encourage consideration of further steps in this regard**,"**

Suggested language to insert: **We recognize the innovations that have occurred in this field, such as GDP-linked loans, and request the UN system to expand technical support in their use.**

Systemic issues

92. The 2008 world financial and economic crisis underscored the need for sound regulation of financial markets, as well as the imperative of a global financial safety net. We welcome the important steps that have been taken since Monterrey and particularly following the crisis in 2008 to reduce vulnerability to international financial disruption of development. The IMF and the World Bank played important countercyclical roles during the crisis. The IMF bolstered its lending capacity, and the world's principal financial centres have worked together to reduce sources of global financial volatility through stronger national financial regulation in a reform agenda whose completion remains a high policy priority. Nonetheless, regulatory gaps and misaligned incentives continue to pose risks to financial stability, and suggest a need to consider further reforms to the global monetary system.

Input for Paragraph 92: Text that talks about policy surveillance with respect to major economies whose policies have systemic impacts is needed in order recognize that this is a major issue in the international monetary system. IMF lending itself should be called on to be coherent or aligned to the sustainable development goals (or "global goals").

Suggested language in the first sentence on 2008 world financial and economic crisis: **has also underscored the need for effective surveillance of policies in countries with disproportionately large impact on global economic conditions**

Suggested sentence to insert: **Because the IMF uses resources from the public sector of the global community, the application of the IMF's resources must be coherent with and aligned with sustainable development goals.**

95. We invite the IMF to consider regular periodic allocations of special drawing rights (SDRs) to supplement IMF member countries' foreign reserves and to better support developing countries, including LDCs.

Input for Paragraph 95: This para could be strengthened considerably by removing 'We invite the IMF to' and replacing it with 'We agree to have the IMF consider regular periodic allocations…'

Furthermore, references to "coordination with the IMF" are unnecessary.

98. We resolve to ensure that international agreements, rules and standards are consistent with each other and with progress towards the SDGs, for example, those for trade, intellectual property rights, banking and insurance regulation, balance-of-payments management and accounting standards. To this end, we invite relevant international institutions, as well as private rule-setting bodies, to undertake 'coherence checks' and regularly publish reviews of the impact of their operations on the achievement of economic, social and environmental priorities and in particular the SDGs. We encourage all international and national development finance institutions to align their business practices with sustainable development objectives, including through assessments of their impact on the enjoyment of human rights, including indigenous peoples' rights, progress toward gender equality, and ESG targets that they have adopted. We further invite all relevant international institutions to recognize the group of LDCs, to fully reflect the importance of fragility and structural constraints in achieving the SDGs.

Input for Paragraph 98: The recognition of consistency among policies is welcome, however a mere "invitation" is not enough. An action item or mandate is necessary, which can be taken up by countries and the UN system in order to promote international coherence and consistency with the achievement of the SDGs.

Suggested language: **We undertake to explore the feasibility of establishing a global coherence and oversight mechanism within the UN system.**

99. We recommit to broadening and strengthening the participation of developing and transition economy countries in international economic decision-making and norm setting. We agree to overcome obstacles to planned resource increases and governance reforms at the IMF. We welcome the expansion in the number of participants in meetings of the FSB and recommend consideration by the FSB, the Basel Committee on Banking Supervision and the other main international regulatory standard setting bodies to increase the voice and participation of developing countries, including in all of their subsidiary committees. As the shareholders in the main international financial institutions, we commit to open and transparent, gender-balanced and merit-based selection of their heads.

Input for Paragraph 99: This paragraph is limited to suggesting a mere "increase" in the voice and vote for developing countries. What it really needs is a commitment to reach parity as a first step.

Suggested language : **to achieve parity in the voice and participation of developing countries on par with that of developed countries.**

100. Recognizing the positive contribution that well-managed migration and mobility can play for inclusive growth and sustainable development, we will make efforts to enable the orderly, safe and regular migration and mobility of people, while protecting the rights of migrant workers in compliance with the ILO's fundamental conventions, as well as the rights of displaced persons. We also resolve to strengthen national institutions and enhance international cooperation to prevent violence and combat terrorism and crime, and end trafficking and exploitation of children. In this context, we commit to ensuring the effective implementation of the United Nations Convention on Transnational Crime.

Input for Paragraph 100: This paragraph needs to focus on fulfilling the human rights of migrants, and particularly women migrants, and remove instrumental approaches on "well-managed migration."

Technology, innovation and capacity building

107. In this context, we agree to adopt science, technology and innovation (STI) strategies as integral elements of our national sustainable development strategies. These strategies help strengthen the environment for knowledge sharing and collaboration among all stakeholders, including through sound regulation and balanced intellectual property rights regimes. We will also scale up investments in science, technology, engineering and mathematics (STEM) education, and enhance technical and vocational education and training, ensuring equal access for women and girls and encouraging their participation. We will significantly increase access to ICT and strive to provide universal and affordable access to the internet in the LDCs by 2020. In addition, we underscore the need to increase R&D in areas critical to sustainable development.

Input for Paragraph 107: After the second sentence of Para 106, ending in "including through sound regulation and balanced intellectual property rights regimes," the additional text: **suitable to national development needs and conditions** is necessary. This is because intellectual property rights regimes have to be appropriate to the country's circumstances in order to make sure that they do not become a barrier to the country's achievement of technological and industrialization development objectives.

Data, monitoring and follow-up

123. To strengthen follow-up on the global level, we request the Secretary-General to convene an inter-agency Task Force, including the major institutional stakeholders, to report annually on progress in implementing the present Accord and to advise the intergovernmental follow-up thereto on critical implementation gaps and recommendation for corrective action. The report on progress and critical gaps in implementing the global partnership for sustainable development will also be considered by the High-level Political Forum on Sustainable Development, as part of the review mechanism to be established to monitor and review the implementation of the sustainable development goals and its means of implementation. We invite relevant international institutions, regional and other development banks, academia, think tanks, civil society and business to provide input to the inter-agency task force.

Input for Paragraph 123: The HLPF was set up for Rio+20 and the SDGs are a follow-up of Rio+20, so HLPF is the natural home for that. But the institutional home for FfD is in DESA, which must also have a role in the follow-up process, interfacing both with the HLPF and with the regional commissions, as well as with all Member States in the General Assembly.

124. We will consider the need to hold a follow-up international conference to review and further advance the implementation of the Addis Ababa Accord by 20XX.

Input for Paragraph 124: The zero draft text holds having a follow-up conference hostage to future negotiations on the issue in the UN General Assembly, which renders it completely uncertain. The text should clearly and explicitly already set out a mandate for the holding of the follow up conference by a clearly specified date – e.g. 2020.