

## **EU and EU Member States' Statement**

### **Second Preparatory Committee ahead of the fourth International Conference on Financing for Development (FfD)- General Debate**

Mr Chair,

I have the honour of speaking on behalf of the EU and its Member States (MS).

**Let me first thank the cofacilitators for the Elements Paper.**

A strengthened FfD agenda should match ambitions with transformative actions to deliver on the SDGs, addressing global challenges and cross-cutting issues. FfD4 needs to enhance ownership, trust in multilateralism, be inclusive, support gender equality, leave no one behind and build on the Summit of the Future. We reaffirm our commitment to the FfD agenda. We already offer solutions i.a. through the **Global Gateway**, which aims at mobilising up to EUR 300 billion for sustainable and high-quality investments supported by the EFSD+. Other EU initiatives include the **Paris Pact for People and the Planet** and the **Hamburg Sustainability Conference**.

FfD4 should ensure **coherence, complementarity and synergy with the ongoing work under various international fora** and not pre-empt or undermine other decision-making processes in relevant institutions within or outside the UN.

We encourage enhancing existing investment and technical assistance facilities, before **creating new global ones with similar purposes**. Actions should build on existing processes, while fully recognising the mandates of international standard-setters, market and prudential regulators, to avoid unintended consequences in financial markets.

Similarly, the priority today is not to create new debt relief mechanisms, but to scale up the implementation of existing initiatives. There is a need to step up and improve the implementation of the G20 Common Framework for Debt Treatments. Recent progress on country cases shows that it delivers. We need to make the debt treatment process under the Framework timelier and more predictable for debtor countries.

We will continue supporting countries' efforts to implement long-term stability-oriented macroeconomic policies, sound public debt management and debt transparency. We welcome the call for strengthening domestic revenue mobilisation, enhancing international tax cooperation, and fighting against illicit financial flows. Further, public spending should be transparent, efficient, accountable and aligned with the SDGs.

We welcome the progress achieved in Multilateral Development Banks' (MDBs) reform agenda. We suggest stronger focus on the implementation of the G20 Roadmap for better, bigger and more effective MDBs. We welcome the call for further ambitious implementation of the G20 Capital Adequacy Framework recommendations to enhance MDBs financing capacity. More focus should be paid to Multilateral and National Development Banks cooperating as a system.

We support the ongoing World Trade Organisation reform process and is committed to **free, fair and sustainable trade**, and to the international rules-based system with the WTO at its core.

**Scaling up private finance** is essential and should be supported through risk sharing instruments such as guarantees and blending. We would welcome even more emphasis on **innovative financial instruments** (such as use-of-proceeds thematic bonds), **and structures** (such as public-private investment vehicles), crowding in institutional investors to reach **scale and impact**.

We welcome the **emphasis on conducive environments to attract private investors, including through credible and interoperable sustainable finance frameworks and enhancing interoperability between existing taxonomies worldwide rather than developing a new global SDG taxonomy based on objectives**.

Regarding **International Development Cooperation**, we welcome revitalising the **Development Effectiveness Agenda**. We also, as the biggest provider of Official Development Assistance (ODA), recall our collective commitments to ODA targets, but we see no need to add "binding timeframes" beyond what was set in 2030 Agenda.

Finally, we acknowledge the importance of enhancing the **representation and voice** of developing countries in global economic governance. We welcome the creation of the 25<sup>th</sup> chair for Africa at the IMF Executive Board. On **SDRs**, while we welcome ambitious language regarding rechannelling, we need to preserve SDRs role as an international reserve asset and respect national legal frameworks.

We look forward to further discussions ahead.