

### 2018 ECOSOC Forum on FfD – Revised Zero Draft (March 29 Version)

*This document has been collectively developed by the Civil Society Financing for Development (FfD) Group, a very broad platform of civil society organizations, networks and federations from around the world, that followed closely the FfD since its origins, facilitated civil society's contribution to the Third International Conference on FfD, and continues to provide a facilitation mechanism for the collective expression of civil society in the FfD Follow-up process. More information can be found on the CSO FfD Group's website: <https://csoforFfD.org/about/> While the group is diverse and positions might differ on specific issues, this document expresses the elements of common concern.*

The column on the right contains succinct summaries of comments – further elaboration is available on request. *Italics are comments.* **Bold underline** represents additions, ~~strike through~~ = suggested deletions, and (...) means text remains as proposed.

	<b>Revised Zero Draft by Co-Facilitators</b>	<b>Comments (comments on Zero Draft to be adjusted)</b>
1.	We, ministers and high-level representatives, having met in New York at UN Headquarters from 23 to 26 April 2018 at the third ECOSOC Forum on Financing for Development, express our resolve to continue to work towards the full and timely implementation of the Addis Ababa Action Agenda (Addis Agenda), which builds on the 2002 Monterrey Consensus and the 2008 Doha Declaration on Financing for Development. We reiterate our goal to end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion. We recall that the Addis Ababa Action Agenda provides a global framework for financing sustainable development and is an integral part of the 2030 Agenda for Sustainable Development. In this regard, we reaffirm the importance of policy coherence for sustainable development at all levels.	<i>Statement of commitment should also include tackling inequalities</i>
2.	We note with appreciation the 2018 report of the Inter-agency Task Force on Financing for Development (IATF), which	<i>The IATF does not report consistently on what is not being done with respect to AAAA and other FfD outcomes</i>

	assesses progress and gaps, provides policy options across the seven action areas of Addis Agenda and examines the challenges in financing all the SDGs, including SDGs 6, 7, 11, 12 and 15, as well as SDG 17, to be reviewed at the 2018 High-level Political Forum (HLPF).	
3.	We are encouraged by the upturn in some areas of the world economy, which has underpinned progress in the policy agenda across all the action areas of the Addis Agenda, while recognizing that the recovery has not been shared evenly across and between countries and regions. We are also concerned that the world economy remains vulnerable to financial and economic volatility and emphasize the need to address medium-term risks, including the potential effects of rising global interest rates leading to a reversal of capital flows to developing countries, inward-looking policies and increased risk of debt distress. We further note that long-term and responsible investment, especially in countries most in need, remains insufficient to meet our global goals. We will seek to use the momentum of the world economy to address implementation gaps that restrain progress towards achieving the SDGs. We devote ourselves collectively to the pursuit of global development, which can bring meaningful gains to all countries and all parts of the world. We reaffirm our strong political commitment to address these challenges in the spirit of global partnership and solidarity, aiming at reversing persistent inequalities within and among countries and leaving no one behind.	<i>The world is off track to reach the 2030 Agenda. The broad-based cyclical upturn (not generalized and mostly Global North) was accompanied by increased hunger and carbon emissions as well persistence of structural demand gap for the high level of inequalities between and within countries. Indeed, inequalities in income and wealth continue to widen. The para should stress urgency to change course and the need to undertake major reforms if the SDGs are to be met.</i>
4.	We commit to take, among others, four key actions in support of the implementation of the Addis Agenda in the current global context: (i) facilitate the use of all sources of financing	Suggested edits: “(...) (i) <del>facilitate the use of</del> <b>increase quality resources from</b> all sources of financing, (...); (iii) <b>align operationalize</b> national financial frameworks <b>with</b>

	<p>at all levels, while being mindful of fiscal and debt sustainability, recognizing that they have different objectives and characteristics, which make them suitable in different contexts and sectors; (ii) work to align incentives of both public and private actors with long-term sustainable development; (iii) operationalize national financial frameworks into investable projects and pipelines; and (iv) take into account that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activity.</p>	<p><del>into investable projects and pipelines;</del> and (iv) take into account (...). <b><u>We affirm that these actions will be guided by the commitment to Leaving No One Behind and the principles of development effectiveness.</u></b></p>
<b>Cross cutting issues</b>		
5.	<p>We reaffirm the need to promote gender equality and the empowerment of women and girls throughout policy-making and programming, including in fiscal policies, finance, development cooperation, labour markets, and other areas, with due recognition of care work where unequal gender roles continue to hold women back in the economy. We commit to implementing social and gender-responsive budgeting. We underline that globally, gross domestic product (GDP) could increase significantly if every country achieved gender equality and increased participation of women in the formal labour force, as well as in leadership and decision-making positions.</p>	<p><i>The aim of realizing all women’s rights is missing and should be reaffirmed, alongside gender equality.</i></p> <p>Suggested edits: “We reaffirm the need to promote gender equality, <del>and the empowerment of women and girls’</del> <b><u>human rights and their empowerment</u></b> throughout <b><u>legal frameworks</u></b>, policy-making and programming, including in fiscal policies, finance, <b><u>trade</u></b>, development cooperation, labour markets, and other areas, with due recognition of <b><u>unpaid domestic and</u></b> care work where unequal gender roles continue to <b><u>refrain the enjoyment of women and girls’ human rights while deepening structural gender inequalities.</u></b> <del>hold women back in the economy.</del> We commit to implementing social and gender-responsive budgeting <b><u>and human rights based gender impact evaluations in all development projects.</u></b> We underline (...).”</p>
6.	<p>We emphasize that all of our development policies need to be underpinned by our strong commitment to protect and</p>	<p>Suggested edits: “We emphasize (...) Climate Change, we call for mobilizing further action and support for climate</p>

	<p>preserve our planet and natural resources, our biodiversity and our climate. Recalling the entry into force of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, we call for mobilizing further action and support for climate change mitigation and adaptation, taking into account the specific needs and special circumstances of developing countries, especially those particularly vulnerable to the adverse effects of climate change, including SIDS and LDCs. We request the IATF, as part of its 2019 report, to provide options that take climate and environmental issues into account in sustainable development finance.</p>	<p>change mitigation and adaptation <b><u>urgently needed to keep temperature rise below 1.5 degrees and empower people to deal with climate change impacts</u></b>, taking into account <b><u>equity in climate actions and</u></b> the specific needs and special circumstances of developing countries, (...)”</p>
7.	<p>We strongly stress the critical role of science, existing and emerging technologies and innovation in achieving the SDGs. We also acknowledge the complex challenges and risks of technology, which should be addressed by appropriate policy and regulatory frameworks.</p>	<p><i>Essential to also recognize the critical role of traditional knowledge</i></p>
8.	<p>We recommit to ensuring that no one is left behind and recognize the importance of addressing the diverse needs and challenges faced by countries in special situations, in particular African countries, least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing States (SIDS) and countries in conflict and post-conflict situations, as well as the specific challenges faced by middle-income countries.</p>	<p>Suggested edits: “We recommit to ensuring that no <b><u>country or person</u></b> is left behind and <b><u>to focusing our efforts on the countries and the social groups within countries that are the furthest behind, including by ensuring the inclusion and participation of those who are furthest behind. We also</u></b> recognize the importance of addressing the diverse needs and challenges (...). <b><u>We are particularly concerned with resources available to these groups of countries, that are severely off track to achieve the eradication of extreme poverty by 2030 and the other SDGs.</u></b>”</p>

9.	<p>We stress that investing in accessible, affordable, reliable, sustainable and resilient infrastructure, including transport, energy, water and sanitation for all, is a pre-requisite for achieving many of our goals. We acknowledge that closing the global infrastructure gap is a priority for the international community and that major challenges remain to scale up SDG investments in infrastructure, particularly in developing countries. We look forward to the third Global Infrastructure Forum, to be held in Bali, Indonesia, in October 2018, and call on its participants to support developing countries in building project pipelines and standardizing infrastructure contracts. We will explore new instruments for mobilizing resources for long-term infrastructure investment, while recognizing that further work is required to better understand risks associated with creating liquid instruments on illiquid assets. We recognize the important roles of national, regional and multilateral development banks in channelling long-term development finance to infrastructure in developing countries, especially in African countries, least developed countries, landlocked developing countries and small island developing States.</p>	<p>Suggested edits: “We stress that <b>public investment investing</b> in accessible (...) developing countries. <b><u>We recognize that public investment in quality infrastructure will be essential and that further work is required to better understand risks associated with efforts to tap private financial markets including by creating liquid instruments on illiquid assets. We look forward to call on the third Global Infrastructure Forum, to be held in Bali, Indonesia, in October 2018 ,and call on its participants to examine these risks before</u></b> supporting developing countries in building project pipelines and standardizing infrastructure contracts, <b><u>where appropriate. We will explore new instruments for mobilizing resources for long-term infrastructure investment, while recognizing that further work is required to better understand risks associated with creating liquid instruments on illiquid assets. We recognize (...).</u></b>”</p>
New Para		<p><i>Proposed new para on Social protection:</i></p> <p><b><u>"In light of the high importance we accord to measures to assist the poor and vulnerable, we continue to emphasize the importance we attach to social protection and ensuring that social protection systems and measures for all, including floors, are consistent with national development strategies, are well designed, efficiently operated, responsive to shocks, and</u></b></p>

		<p><b><u>sustainable in the long term.</u></b> [drawn from para. 7 of 2017 outcome document]. <b><u>We take note of the uneven global availability of social protection, as shown by the Inter-Agency Task Force, and commit to national and international efforts to strengthen the coverage and adequacy of social protection systems for all, including floors. To this end, we look forward to the intergovernmental preparations endorsed this year by the Social Protection Inter-Agency Cooperation Board for holding a Global Universal Social Protection Forum 2030. We also note with interest the Implementation Plan of the Management of the International Monetary Fund on IMF and Social Protection, including the year-long period of reflection and consultation leading to the development of an institutional view on the IMF's engagement with social protection"</u></b></p>
<p><b>Domestic public resources</b></p>		
<p>10.</p>	<p>We note progress in domestic resource mobilization, underscored by the principle of national ownership, but emphasize that large gaps remain between LDCs, LLDCs, SIDS, middle-income countries and developed countries. We will strive to strengthen revenue collection and related accountability mechanisms as well as public service delivery at the national and subnational levels, including through whole-of-government approaches and Medium Term Revenue Strategies (MTRS). We acknowledge that further work needs to be done on the digitalization of business and finance and its impact on tax revenue collection. We stress that international frameworks need to adapt to new digital business models. We recognize the importance to developing countries of fiscal</p>	<p>Suggested edits: “We note progress in domestic resource mobilization, underscored by the principle of national ownership, but emphasize that large gaps remain between LDCs, LLDCs, SIDS, middle-income countries and developed countries. <b><u>We recognize that taxation is the largest and most sustainable source of development finance, and that public finance is a unique and indispensable driver of sustainable development at the national level, essential for delivering universal and quality healthcare, education, social protection and other quality services.</u></b> We will strive to strengthen revenue collection and related accountability mechanisms as well as public service delivery at the national and</p>

	<p>management, including domestic resource mobilization and encourage that this purpose be a priority for all types of development cooperation, including ODA and technical support, such as through the IMF Tax Administration Diagnostic Assessment Tool. We intend to apply technology to tax administration, enforcement, and combatting tax evasion, while ensuring an adequate framework for protecting the privacy of citizens and the confidentiality of data. Efforts in international tax cooperation should be universal in approach and scope and fully take into account the needs and capacities of all countries. We welcome the work programme of the United Nations Committee of Experts on International Cooperation in Tax Matters. We continue to urge Member States to support the Committee and its subsidiary bodies through the voluntary trust fund, to enable the Committee to fulfil its mandate, including by supporting the increased participation of developing country experts at subcommittee meetings.</p>	<p>subnational levels <b><u>in our efforts to meet the commitment to the social compact</u></b>, including through whole-of-government approaches and Medium Term Revenue Strategies (MTRS). <b><u>We commit to enhance progressivity of our fiscal systems to tackle inequalities. We welcome initiatives to promote transparency, accountability and public participation, including that of excluded groups, in the budgeting process. We encourage donors to help increase capacity in revenue mobilisation at all levels.</u></b></p> <p>We acknowledge that further work needs to be done on the digitalization of business and finance and its impact on tax revenue collection. We stress that international frameworks need to <b><u>be reconsidered in light of</u></b> <del>adapt to</del> new digital business models. We recognize the importance to developing countries of <b><u>international tax cooperation and</u></b> fiscal management, including domestic resource mobilization and encourage that this purpose be a priority for all types of development cooperation, including ODA and technical support, such as through the IMF Tax Administration Diagnostic Assessment Tool. We intend to apply (...)"</p>
11.	<p>We note the progress made through international tax cooperation, including the implementation of enhanced international standards on tax transparency, such as the work of the Global Forum on Tax Transparency. We acknowledge that more work is needed to enable developing countries, especially the poorest countries, to benefit from these standards. We will strengthen international cooperation to combat illicit financial flows (IFFs) and encourage countries</p>	<p>Suggested edits: "(...). We note <b><u>that there is still no single global inclusive forum for</u></b> <del>the progress made through international tax cooperation including the implementation of enhanced international standards on tax transparency, such as the work of the Global Forum on Tax Transparency.</del> We acknowledge that more work is needed to enable developing countries, especially the poorest countries, to <b><u>participate in the development of,</u></b></p>

	<p>and relevant multilateral and international organizations to continue their efforts to provide, upon request, technical assistance and capacity-building assistance to developing countries. We welcome the leading role of the Conference of States Parties to the UN Convention against Corruption in helping improve the capacity of and cooperation between States Parties. We also encourage States to strengthen international cooperation on the recovery and return of stolen assets in line with their obligations under domestic and international law and to invest in the human and technical resources necessary to speed up assets return. We welcome progress made on developing good practices in this field and encourage their further elaboration.</p>	<p><b><u>and benefit from, international tax</u></b> these standards. <b><u>We invite the UN General Assembly to consider this issue as a matter of priority, including by assessing different options for establishing a well-resourced inclusive intergovernmental UN tax commission under ECOSOC.</u></b> We will strengthen international cooperation to combat illicit financial flows (IFFs), <b><u>including aggressive tax planning and harmful business practices that encourage base erosion and profit-shifting,</u></b> and encourage countries and relevant multilateral and international organizations to continue their efforts to provide, upon request, technical assistance and capacity-building assistance to developing countries. We welcome the leading role of the Conference of States Parties to the UN Convention against Corruption in helping improve the capacity of and cooperation between States Parties. <b><u>We urge States to introduce transparency measures to combat tax avoidance and evasion, including public country by country reporting and public registers of beneficial owners of companies and trusts.</u></b> We also encourage States (...)"</p>
12.	<p>We note the holding of the first global conference of the inter-agency Platform for Collaboration on Tax (PCT) in February 2018, on “Taxation and the SDGs” and take note of the Platform partners’ statement, including their commitment to support country-led MTRS.</p>	<p><i>Highly problematic. Suggested deletion of the entire para – the statement was prepared by the agencies and does not represent an intergovernmental agreement.</i></p>
<p><b>Domestic and international private business and finance</b></p>		
13.	<p>We note that the momentum around sustainable investment, including impact investment, is growing, and we invite private companies to adopt sustainable practices that foster long-</p>	<p>Suggested language: “We note that the momentum around sustainable investment, including impact investment, is growing, <b><u>and note the crucial role played</u></b></p>

	<p>term value. We note that a reallocation of a small percentage of assets under management towards long-term investment in sustainable development could have a significant impact. We will explore ways to incentivize institutional investors to take a long-term approach, taking into account public interest, including by reviewing regulatory frameworks, accounting measures, short-term benchmarks, compensation systems and other incentives. Proper interpretation of fiduciary duty for long-term investors should include all material impacts on returns that drive long-term performance of investments. We will promote sustainable corporate practices, including integrating environmental, social and governance factors into company reporting as appropriate, with countries deciding on the appropriate balance of voluntary and mandatory rules. We emphasize that the UN should continue to bring together relevant stakeholders to discuss and disseminate the benefits of SDG investing.</p>	<p><b><u>by government regulation in aligning incentives for private actors with sustainable development outcomes</u></b>, and we invite private companies to adopt sustainable practices that foster long-term value. <del>We note that a reallocation of a small percentage of assets under management towards long-term investment in sustainable development could have a significant impact.</del> We will explore ways to incentivize <b><u>and regulate</u></b> institutional investors to take a long-term approach <b><u>and to prevent damaging outcomes</u></b>, taking into account public interest, including by reviewing regulatory frameworks, accounting measures, short-term benchmarks, compensation systems and other incentives. Proper interpretation (...).”</p>
14.	<p>We recognize recent progress in financial inclusion, but note that gaps still remain for women, people in rural communities and disabled people, as well as for micro, small and medium-sized enterprises (MSMEs). We recognize the important role that can be played by development banks, development finance institutions and guarantee instruments in this area. We recognize that financial inclusion can be strengthened by making use of innovative measures of financial intermediation. New financial technology applications may also help lower the cost of remittances. We will work towards reducing the average transaction cost of migrant remittances by 2030 to less than 3 per cent of the amount transferred. We emphasize the need for effective and proportionate regulation</p>	<p>Suggested edits: “We recognize recent progress in financial inclusion, but note that gaps still remain for women, <b><u>the youth, the elder</u></b>, people in rural communities and disabled people, <b><u>and those groups suffering the impacts of systemic discrimination</u></b>, as well as for micro, small and medium-sized enterprises (MSMEs). We recognize the important role that can be played by development banks, <del>development finance institutions and guarantee instruments</del> in this area. <b><u>All such efforts must be guided by development effectiveness principles and the principle of Leaving No One Behind</u></b>. <del>We recognize that financial inclusion can be strengthened by making use of innovative measures of financial intermediation. New</del></p>

	to monitor any systemic or consumer risks related to the digitalization of finance. We will continue to broaden the range of financing instruments accessible to MSMEs.	<del>financial technology applications may also help lower the cost of remittances.</del> We will work towards (...).”
<b>International development cooperation</b>		
15.	We welcome the increase in ODA in real terms in 2016. The decline in ODA to LDCs has been reversed, but we note a decline in the share of ODA to country programmable aid (CPA). We also note that ODA to SIDS has not kept pace with the overall increase in aid flows since 2000, and remains very concentrated in few SIDS, despite the increasing frequency, volatility, and intensity of weather related hazards many of them are exposed to. We call on ODA providers to increase ODA and fulfil their respective commitments, including the commitment by many developed countries to achieve the national target of 0.7 per cent of gross national income (GNI). We recognize that it is also critical that disaster risk reduction measures, with due consideration to prevention, are incorporated into all development assistance programmes and infrastructure financing, in line with the Sendai Framework for Disaster Risk Reduction. We request the IATF, as part of its 2019 report, to further discuss climate and disaster resilience in development financing to ensure the sustainability of development results. We will hold open, inclusive and transparent discussions on the modernization of the ODA measurement and on the proposed measure of “total official support for sustainable development” and we affirm that any such measure will not dilute commitments already made.	Suggested edits: “ <b>As</b> we welcome the increase in ODA in real terms in 2016, <b><u>we note that ODA to the Least Developed Countries continued to fall in 2016 in relative terms</u></b> <del>The decline in ODA to LDCs has been reversed, but</del> <b><u>We also</u></b> note a decline in the share of ODA to country programmable aid (CPA) <b><u>as well as the fact that</u></b> ODA to SIDS has not kept pace with the overall increase in aid flows since 2000, and remains very concentrated in few SIDS, despite the increasing frequency, volatility, and intensity of weather related hazards many of them are exposed to. We call on ODA providers to increase ODA and fulfil their respective commitments, including the commitment by many developed countries to achieve the national target of 0.7 per cent of gross national income (GNI). <b><u>We urge</u></b> ODA providers <b><u>to set concrete timetables to accelerate efforts</u></b> to increase ODA <b><u>meet their respective ODA commitments, including the 0,7% of ODA/GNI as well as the 0.15 to 0.20 per cent of ODA/GNI to the Least Developed Countries. We recommit to keep ODA focused on its primary purposes of poverty eradication and sustainable development.</u></b> We recognize (...) will not dilute commitments already made <b><u>in any way.</u></b> ”
16.	We welcome continued efforts to improve the quality, effectiveness and impact of development cooperation and other international efforts in public finance, including	Suggested edits: “(...) agreed development cooperation effectiveness principles. <b><u>Nevertheless, we are concerned that progress on meeting the principles for development</u></b>

	<p>adherence to agreed development cooperation effectiveness principles. We call on the Development Cooperation Forum, to be held in New York, on 21-22 May 2018, to provide policy guidance and identify capacity building opportunities concerning the effective use of blended financing to support developing country priorities and efforts to implement the 2030 Agenda. We look forward to the upcoming third high-level meeting of the Global Partnership for Effective Development Cooperation.</p>	<p><b><u>effectiveness has in many areas stagnated. We urge Member States to increase efforts to fully implement and adhere to the principles. We note in particular that there is a risk of tension between the scaling up of blended finance and the commitment to untie aid. Furthermore, we note with concern that ODA is increasingly diverted away from its main purpose of supporting efforts to eradicate poverty, and note that in 2016 more ODA was spent on in-donor refugee costs than on humanitarian aid.</u></b></p> <p>We call on the Development Cooperation Forum, to be held in New York, on 21-22 May 2018, to provide policy guidance and identify capacity building opportunities concerning the <b><u>costs and benefits</u></b> effective use of blended financing to support developing country efforts to implement the 2030 Agenda, <b><u>as part of a longer term programme of work on the interaction between international public finance and private sector development, which considers not just opportunities but also opportunity costs, and risks such as tied aid.</u></b> We look forward (...).”</p>
17.	<p>We welcome the contributions of South-South cooperation to poverty eradication and sustainable development. We reaffirm that South-South cooperation is an important element of international cooperation for development as a complement to, not a substitute for, North-South cooperation. We also commit to strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation.</p>	
18.	<p>We welcome the work of Multilateral Development Banks (MDBs) in support of the 2030 Agenda and take note of</p>	<p>Suggested edits of second part of the para: “We welcome the work (...). We note the potential of blended finance,</p>

<p>ongoing efforts to strengthen their collaboration and coherence. We note with concern that access to concessional finance is reduced as countries' incomes grow, and that countries may not be able to access sufficient affordable financing from other sources to meet their needs. We further note a willingness to develop new measures and build on existing experiences with exceptions and multidimensional assessments to address limitations of an income-only assessment of development and 'graduation readiness'. In this regard, we encourage relevant institutions to learn from each other's efforts to address diverse circumstances of countries, to better manage transitions and graduation. We welcome efforts by the MDBs to further align their work with the SDGs and to continue optimizing the use of their balance sheets. We acknowledge the increasing and pivotal function of national and regional development banks, alongside the MDBs, in reinforcing the financial architecture for sustainable development and, in this context, take note of the role of the International Development Finance Club (IDFC). We note the potential of blended finance, and stress that projects should be aligned with national priorities, have long-lasting development impact and be in the public interest, while recognizing that for different SDG investment areas, different types of finance may represent the most effective financing modalities. We call for more analysis on how to realize the potential of blended finance, including its impact on closing gender equality gaps, and on designing blended finance instruments to respond to the unique situation of countries, especially those with special needs. We acknowledge that the FfD follow-up process provides important opportunities to</p>	<p>and stress that projects should be aligned with national priorities, have long-lasting development impact and be in the public interest, while recognizing that for <del>different</del> <b><u>some</u></b> SDG investment areas – <b><u>including universal public services such as health, education and social protection - public finance</u></b>, <del>different types of finance may</del> represents the most effective financing <b><u>modality modalities</u></b>. We call for more analysis on <b><u>both the potential opportunities and the risks</u></b> <del>how to realize the potential</del> of blended finance, including its impact on closing gender equality gaps, <b><u>taking into account factors such as the imperative of alignment with democratically agreed national priorities, of long-lasting development impact in excess of what could be achieved if public funds were used in a different way, and of safeguards to ensure transparency, accountability, responsible tax behaviour, and compliance with human rights and environmental commitments. We also call for more analysis on</u></b> and on designing blended finance instruments to respond to the unique situation of countries, especially those with special needs <b><u>and to ensure that these instruments add development and financial additionality</u></b>. We acknowledge that the FfD follow-up process provides important opportunities to consider how emerging principles for blended finance relate to respective commitments in the Addis Agenda, <b><u>and the core commitment of the 2030 Agenda to Leave No One Behind</u></b>.</p>
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	consider how emerging principles for blended finance relate to respective commitments in the Addis Agenda.	
19.	We recall the need for transparent methodologies for reporting climate finance and welcome the ongoing work in the context of the United Nations Framework Convention on Climate Change. We note with appreciation the significant scaling-up of the operations of the Green Climate Fund (GCF) but note with concern the challenges in accessing financial resources for climate action in developing countries, especially in relation to funding for adaptation. In this regard, we call on the GCF and other providers to further enhance and simplify access to funding.	Suggested edits: “We recall (..) Green Climate Fund (GCF), but note with concern the challenges in <b><u>mobilising and</u></b> accessing financial resources for climate action in developing countries, especially in relation to funding for adaptation <b><u>and direct access for marginalized groups such as women, grassroots, indigenous peoples and local communities</u></b> . In this regard, we call on the GCF and other providers to <b><u>strengthen the effort in climate resource mobilization</u></b> and further enhance and simplify access to funding <b><u>and to implement the GCF Gender Equality and Social Inclusion Policy and Action Plan 2018–2020.</u></b> ”
<b>International trade as an engine for development</b>		
20.	We welcome that in 2017 trade growth recovered, albeit at low rates. We note with concern that exports of LDCs as a share of the global total declined in recent years. We reaffirm that trade can contribute to the promotion of sustainable development and the alleviation of poverty, as recognized in the 2030 Agenda. We underline the importance for all countries, and in particular LDCs, LLDCs and SIDS, to benefit from opportunities that bilateral, regional, plurinational and multilateral trade agreements generate. We welcome all ongoing market access initiatives for LDCs. We will continue to promote a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system as well as meaningful trade liberalization. We will explore policies that encourage growth in cross-border e-commerce, including for MSMEs. We take	<ul style="list-style-type: none"> <li>• <i>Paragraph should emphasise that developing countries’ Policy space for structural transformation should be protected and expanded, particularly in the current context where many suffer from commodity traps reinforced by low commodity prices.</i></li> <li>• <i>It is disappointing to know that in spite of the agreed target 17.11 which talks of doubling LDC exports, LDC exports actually declined as a share of global trade even after 2 years of adoption of the 2030 Agenda. Trade can be a contributor to sustainable development, but the lack of fair trade rules can also act as a barrier.</i></li> <li>• <i>Trade liberalisation can be "meaningful" only if it can help promote and not hinder sustainable development in developing countries</i></li> </ul>

	<p>note of greater dialogue on aligning new trade agreements with the SDGs.</p>	<ul style="list-style-type: none"> <li>• <i>E-commerce and MSMEs are "new issues" in WTO negotiations and as yet there is no clear mandate to start negotiations. Many developing countries are opposed to negotiations on these issues fearing a constraint on their policy space which is mentioned in SDG target 17.15. E-commerce rules pose a challenge to policymaking across sectors and in particular to independent industrial, agricultural, employment generation, health, policymaking in developing countries due to the control over "data" and the lack of regulation that mega digital platforms seek to enjoy. The MSME issue represents an attempt to shift special and differential treatment to horizontal preferences by groups e.g. MSMEs and promoting aggressive forms of trade liberalisation which may not actually benefit that group since it is geared towards benefitting large corporations. Given the sensitivity of these issues, there should not be any language on these issues at this stage.</i></li> <li>• <i>The last line should be welcomed. But both new and existing trade agreements have to be assessed against their ability to help or hinder country efforts towards meeting the SDGs.</i></li> </ul>
21.	<p>We call for enhancing trade finance. We encourage export credit agencies and MDBs to explore further developing trade and supply chain finance programs. We stress that Aid for Trade, implementation of the WTO Trade Facilitation Agreement, targeted trade-related capacity-building, and continued preferential market access for the exports of LDCs are essential to integrate developing countries, in particular,</p>	<ul style="list-style-type: none"> <li>• <i>The Trade Facilitation Agreement is more about facilitating developed country exports to developing and least developed countries rather than the opposite and therefore should not be mentioned as an essential tool to integrate developing countries, in particular, LDCs, LLDCs and SIDS, into the international trading system.</i></li> </ul>

	<p>LDCs, LLDCs and SIDS, into the international trading system. We take note of the ministerial decisions adopted at the 11th Ministerial Conference of the WTO, held in December 2017. We invite the IATF to continue to monitor developments with respect to the trade financing gaps, particularly for MSMEs, as part of its 2019 report</p>	<ul style="list-style-type: none"> <li>• <i>There should be a para underscoring the need to preserve special differential treatment for developing and least developing countries as per the mandate of the SDG target 10.a.</i></li> </ul>
<p><b>Debt and debt sustainability</b></p>		
<p>22.</p>	<p>We note with concern that emerging debt challenges in developing countries have intensified, adding to the challenges to the achievement of the SDGs. We recognize that it is helpful to differentiate how borrowing resources are used, and that effective public investments in infrastructure and productive capacity in support of the SDGs, under appropriate public debt management, can have a positive impact on fiscal space and debt sustainability. We encourage further work in this regard, including how this could be incorporated into public debt analysis, notably through the use of tools for quality assessment, while ensuring that risks of debt distress are flagged consistently and timely. We emphasize that improving debt analysis and management capacities remains important, including through better and broader data collection and technical assistance. We encourage creditors and debtors to make terms and conditions of lending public and easy to track.</p>	<p>Suggested edits: “We note with concern that emerging debt challenges in developing countries have intensified, <b><u>and that a rapidly increasing number of countries are becoming highly vulnerable to debt crises,</u></b> adding to the challenges to the achievement of the SDGs. <b><u>However, we note with concern that private financing, including the boom in Euro-bonds issuance and public-private partnerships, can lead to further increase hidden debt in countries.</u></b> We recognize that (...) debt distress are flagged consistently and timely. <b><u>We welcome the work at the UN Human Rights council on guiding principles for assessing the human rights impact of economic reform policies.</u></b> We emphasize (...) and conditions of lending public and easy to track. <b><u>We acknowledge that mandatory reporting of all loans in a public database is important to ensure the effective and accountable use of loans and recommend the design of such a database in an appropriate forum.”</u></b></p>
<p>23.</p>	<p>We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate. The devastating impact of the 2017 Atlantic hurricane season underlined that innovative instruments, such as state-</p>	<p>Suggested edits: “We recognize (...) disasters and climate-related adaptation needs. <b><u>This includes the potential of making bilateral and multilateral creditors' debt state contingent.</u></b> We commit (...). We reiterate that debtors and creditors must work together to prevent and resolve unsustainable debt situations. <b><u>We will continue efforts to</u></b></p>

	<p>contingent debt instruments, can lessen financial stresses in times of crisis. We intend to explore the potential of innovative debt instruments, as appropriate, particularly for countries and regions facing disasters and climate-related adaptation needs. We commit to explore how official creditor cooperation mechanisms can address the potentially more complicated future insolvencies, due to changes in emerging and developing countries' debt compositions, more effectively. We reaffirm the importance of debt restructurings being timely, orderly, effective, fair and negotiated in good faith. We reiterate that debtors and creditors must work together to prevent and resolve unsustainable debt situations. We reiterate our call to work towards a global consensus on guidelines for debtor and creditor responsibilities in borrowing by and lending to sovereigns, building on existing initiatives. In this regard, we request the IATF, as part of its 2019 report, to study complementarities and incongruities of such initiatives, as well as to advance the analysis of state-contingent debt instruments, GDP-linked bonds, insurance coverage and other innovative mechanisms, as a means of reducing risks to sovereign balance sheets, particularly in SIDS, LDCs, LLDCs and open economies more vulnerable to disasters.</p>	<p><b><u>make sovereign debt workouts effective and fair, as called for in the Addis Agenda, through a dedicated process at UN General Assembly level. We acknowledge that the lack of a Debt Workout Institution is a major constraint and will work towards filling this gap, building on proposals made in the UNCTAD's Roadmap and Guide on Sovereign Debt workouts. We call on all UN Member States to adopt legislative instruments to prevent non-cooperative bondholders jeopardising successful debt restructuring, drawing on existing developments in Belgium and other pioneer states.</u></b> We reiterate our call to work towards a global consensus on (...).</p>
<p><b>Addressing systemic issues</b></p>		
<p>24.</p>	<p>We welcome progress in reforming international financial regulation and commit to implementing negotiated reforms while being watchful of unintended consequences and the need to balance the goals of access to credit with financial stability. We are mindful of new gaps that may result from financial innovations, including digital finance. We emphasize that correspondent banking is an important means of</p>	<p><i>First sentence seems very problematic, as it will in fact limit further – and urgently needed – steps towards better financial regulation, which still hasn't happened. The whole notion of "regulations have already gone too far" is highly problematic. The consequences for developing countries, those should be specified and addressed without generalization.</i></p>

	<p>facilitating cross-border movements of funds, and enables financial institutions to access financial services in different currencies and foreign jurisdictions, thereby supporting remittance flows. We note with concern the decline in correspondent banking in many regions which, if left unchecked, may be detrimental to the promotion of financial inclusion, and welcome efforts by international organizations, as well as the private sector to address these. We invite the IATF to continue to monitor the decline in correspondence banking and its effects, as well as the possible unintended consequences of international financial regulation, as part of its 2019 report.</p>	<p>Suggested edits: “We welcome progress in reforming international financial regulation, <b><u>but recognise that risks remain high and further work is necessary</u></b>, and commit to implementing negotiated reforms while being watchful of unintended consequences and the need to balance the goals of access to credit with financial stability. We are mindful (...).</p>
25.	<p>We note the ongoing 15th General Review of Quotas of the IMF and look forward to the successful conclusion of the World Bank Group’s shareholding reform. We will continue our work on further strengthening the global financial safety net (GFSN) to ensure adequate levels of financing, flexibility and counter cyclical, including through existing and, where appropriate, new ex-ante instruments. We support efforts to improve the coordination between different elements of the GFSN. We recognize that the international system’s overall financial response to disasters is insufficient and that better ex-ante disaster risk reduction and resilience building mechanisms and quick-disbursing ex-post instruments are required. We take note of a growing number of successful regional sovereign risk insurance facilities, while underscoring that global risk management would offer more efficient risk diversification, sustainability and efficiency. We call on development cooperation providers to support countries that are not able to afford participation in these mechanisms. We</p>	<p><i>It might be timely to start providing more explicit policy guidance to the upcoming quinquennial review of SDR (2021).</i></p>

	<p>invite the IATF to examine existing frameworks and best practices with regards to approaches to risk management by development banks and related financial institutions and to report its findings in the 2019 report.</p>	
<p><b>Science, technology, innovation and capacity-building</b></p>		
<p>26.</p>	<p>We reaffirm that the creation, development and diffusion of new innovations and technologies and associated know-how, including the transfer of technology on mutually agreed terms, are powerful drivers of economic growth and sustainable development. We remain committed to closing the digital divide in access and capacity within and between countries, including the gender gap. We recognize that new technologies are affecting the functioning of labour markets, with new types of employment in many cases replacing traditional patterns of work. We take note of the work of IATF in this regard and invite the IATF to continue its work on this topic. We will support lifelong learning and skill acquisition for all, including entrepreneurial skills, adapt and strengthen employment, decent work and social protection systems and measures for all, as appropriate, and make efforts to address continued gender disparities and enhance inclusion of marginalized groups, including for young people and persons with disabilities. We invite the IATF to examine the implications of fintech and the weightless economy on financial inclusion, access to finance and financial regulation.</p>	<p>Suggested edits: “We reaffirm (...). We will support lifelong learning and skill acquisition for all, including entrepreneurial skills, adapt and strengthen employment, decent work and social protection systems and measures for all, as appropriate, and make efforts to address continued gender disparities and <b>progressively</b> enhance inclusion of marginalized groups, including for young people and persons with disabilities. <b><u>We urge Member States to set nationally appropriate spending targets for quality investments in essential public services, in line with the Addis Ababa Action Agenda. Donors should support the efforts to reach these targets. In this regard, we invite the Inter-Agency Task Force, within its mandate and existing resources and as part of its 2019 report, to assess progress and the current financing gap to fully finance universal health, education, and social protection, and recommend further measures to achieve the social compact.</u></b> We invite the IATF (...).</p> <p><i>The development and diffusion of new innovations and technologies can only become powerful drivers of economic growth and sustainable development if they are designed and developed to address the needs of developing countries and marginalized sectors and serve the interest of those who are left behind as envisioned in</i></p>

		<p><i>the 2030 Agenda. New innovations and technologies could exacerbate inequalities and result to further disempowerment if they are developed and diffused top-down and controlled by a few interests through such instruments as intellectual property rights that exclude others from utilizing these technologies to respond to development challenges. The potential adverse impacts of new technologies on labour markets are serious and require anticipatory, multidisciplinary and participatory assessment in order to prevent labor displacement, marginalization of livelihoods and substitution of traditional commodities. Such assessment should also look into equally serious potential impacts of new technologies on the environment, biodiversity, culture and society. The implications of new technologies on the relevance and applicability of current policies, legislations and regulations that protect human rights, societal welfare and well-being of people and the planet also need to be evaluated. The long-term societal implications of convergence of new technology platforms, such as automation, artificial intelligence and advanced molecular technologies, that give rise to current corporate mergers and acquisition in critical sectors such as agriculture require thorough attention.</i></p>
27.	<p>We stress that capacity development is essential for achieving the 2030 Agenda for Sustainable Development and that capacity development must be country-driven, address the specific needs and conditions of countries and reflect national sustainable development strategies and priorities. We continue to support capacity-building for developing countries</p>	<p><i>Support for capacity-building of developing countries to strengthen their national science, technology and innovation capabilities should broadly include the promotion of and tapping the potentials of indigenous and traditional knowledge systems and community innovations. Capacity building should not be limited to</i></p>

	<p>to strengthen their national science, technology and innovation capabilities. We welcome that ODA for scientific, technological and innovative capacity has increased significantly, but note with concern that it has not sufficiently benefited the poorest and most vulnerable countries. We welcome the progress made towards the establishment of the Technology Facilitation Mechanism and the operationalization of the Technology Bank for the LDCs, and we encourage all development partners to provide financial and technical assistance to ensure their full and effective implementation. We invite the IATF to reflect and report on possible options to improve developing countries access to appropriate technologies and innovative solutions.</p>	<p><i>institutional actors but should be extended to communities and peoples' organizations to strengthen their capacities to innovate using local resources that directly address local needs.</i></p>
28.	<p>We look forward to the third annual Multi-stakeholder Forum on Science, Technology and Innovation for the Sustainable Development Goals, to be held in New York, on 5-6 June 2018, and its discussion on the SDGs to be reviewed in-depth at the 2018 HLPF, indigenous knowledge, STI roadmap and the impact of new and emerging technologies on sustainable development finance, which will be fed into the preparations of the 2018 HLPF and 2019 ECOSOC Forum on Financing for Development follow-up.</p>	
<p><b>Data, monitoring and follow-up</b></p>		
29.	<p>We recognize that large data gaps persist, particularly at the disaggregated levels, and that significant efforts are required to modernize and strengthen national statistical systems. We encourage increased support of all types and from all sources, including capacity building and technical support, to strengthen statistical systems. We will strengthen our efforts to produce sex-disaggregated data and make better use of</p>	<p>Suggested edits: “We recognize that large data gaps persist, particularly at the disaggregated levels, and that significant efforts are required to modernize and strengthen national statistical systems, <b><u>including increased investment in integrated national systems for gender statistics and better financial sector data.</u></b> (...). We will strengthen our efforts to produce sex-disaggregated</p>

	statistics to improve policy design and implementation with regards to gender equality and the empowerment of women and girls.	data <b><u>on income, age, ethnicity, location, and disability, and other conditions of diversity</u></b> and make better use of <del>gender</del> <b><u>these</u></b> statistics to improve policy design and implementation with regards to gender equality, <del>and the empowerment of women and girls'</del> <b><u>human rights and their empowerment</u></b> .
30.	We note the establishment of the Intergovernmental Group of Experts on FfD in response to the Nairobi Maafikiano which was adopted by UNCTAD XIV.	Suggested edits: "We <del>note</del> <b><u>welcome</u></b> the establishment of the Intergovernmental Group of Experts (...)."
31.	We invite international, bilateral and other potential development cooperation partners to consider contributing generously to the Trust Fund to Support Activities for the Follow-up to the International Conference on Financing for Development, in particular to support the travel to and participation of representatives from developing countries, in particular LDCs, LLDCs and SIDS, in the annual ECOSOC Forum on Financing for Development follow-up. We encourage Member States to continue to support the work of the IATF, including through voluntary contributions.	Suggested edits: "We invite (...) annual ECOSOC Forum on Financing for Development follow-up, <b><u>and to support civil society participation</u></b> . We encourage Member States to continue to support the work of the IATF, including through voluntary contributions."
32.	We decide that the 4th ECOSOC Forum on Financing for Development follow-up will convene from 15 to 18 April 2019, and will include the special high-level meeting with the Bretton Woods institutions, the WTO and the UNCTAD. We also decide that the forum's modalities will be the modalities that applied to the 2018 forum. We further decide that in the outcome document of the 2019 FfD Forum we will consider the need to hold a follow-up conference.	Suggested edits: "We decide that (...). We further decide that in the outcome document of the 2019 FfD Forum we will <del>consider the need to hold</del> <b><u>agree the date for</u></b> a follow-up conference. <b><u>We will use the 2019 FfD Forum to elaborate on necessary reforms to make the FfD Follow-up process more effective with results to be adopted during the 2019 High-level Dialogue on Financing for Development held under the auspices of the UN General Assembly in September of 2019.</u></b> "

33.	We request the Inter-Agency Task Force on Financing for Development to issue an advance unedited version of its 2019 report, no later than the end of February 2019, to be updated with the latest data upon its release, in order to facilitate the timely preparation of the draft conclusions and recommendations.	Suggested edits: “We request the Inter-Agency Task Force (...) February 2019, <b><u>which should include a rigorous assessment of progress and lack of progress across the seven action areas of the AAAA and other FfD Outcomes,</u></b> to be updated with the latest data upon its release, in order to facilitate the timely preparation of the draft conclusions and recommendations.”
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